Manitoba
December 2006

OFFICE OF THE
AUDITOR GENERAL

Audit of the Child and Family Services Division Pre-Devolution Child in Care Processes and Practices

As a leader in promoting enhanced accountability of government to the citizens of Manitoba, the Office of the Auditor General will contribute to greater public trust and confidence in the institutions of government.

Vision

As a leader in promoting enhanced accountability of government to the citizens of Manitoba, the Office of the Auditor General will contribute to greater public trust and confidence in the institutions of government.

Mission

To contribute to effective governance by the Manitoba Legislature, we provide the Members of the Legislative Assembly with independent assurance and advice on:

government accountability information;
compliance with legislative authorities; and
the operational performance of government.

Values

IN INTERPERSONAL RELATIONSHIPS

Respect ***Honesty***
Integrity ***Openness***

IN ACHIEVING OUR VISION AND MISSION

Teamwork
Independence
Balanced Perspectives
Professional Excellence

2007-01642/

Office of the Auditor General
500 - 330 Portage Avenue
Winnipeg, Manitoba R3C 0C4

December 2006

The Honourable George Hickes
Speaker of the House
Room 244, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Sir:

I have the honour to transmit herewith my report on the *Audit of the Child and Family Services Division, Pre-Devolution Child in Care Processes and Practices* to be laid before Members of the Legislative Assembly in accordance with the provisions of Section 28 of The Auditor General Act.

We appreciate the significant impact of this program area on children and families throughout Manitoba, the complexity of the many issues being dealt with and the dedication towards a solution expressed by all. We recognize that the issues are not only complex, but have existed for many years. Our report focuses primarily on one area within the Child and Family Services Division, being the effectiveness of the accountability framework in place relative to mandated agencies addressing children in care. While we audited the period prior to the devolution of these services to four Child and Family Services Authorities which were created in 2003, our recommendations should be followed up by the Public Accounts Committee of the Legislature, the Department, the Authorities and the mandated agencies with reference to the current system.

Prior to the finalization of this audit report, two major reviews were released by the Province, namely "Strengthen the Commitment - An

External Review of the Child Welfare System" and "Honouring Their Spirits – the Child Death Review" both of which will impact the future for children in care. Our draft report was made available to the review teams and a member of our audit staff participated in the external review of the child welfare system. We hope that our participation and our report will assist the Province of Manitoba in addressing this very serious issue.

Respectfully submitted,

Carol Bellringer

Carol Bellringer, FCA, MBA
Auditor General

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY 1

2.0 INTRODUCTION 9

3.0 ACCOUNTABILITY FRAMEWORK 20

4.0 FUNDING MODELS 40

5.0 MANDATED AGENCY OPERATIONS 48

6.0 TRANSITION OF ROLES AND RESPONSIBILITIES TO CFS AUTHORITIES 65

7.0 RECOMMENDATIONS 73

DEPARTMENTAL RESPONSE 83

CFS AUTHORITIES RESPONSE 86

APPENDICES

Appendix A: Child and Family Service Authorities and their Mandated Agencies as of March 31, 2004
Appendix B: Glossary of Terms
Appendix C: Duties of the Director of CFS under The CFS Act
Appendix D: Duties of a CFS Authority under The CFSA Act
Appendix E: Duties of Mandated Agencies under The CFS Act
Appendix F: Annual Funding of Mandated Agencies, Regional Offices and the WCFS Branch
Appendix G: Foster Care Rates for the Year Ending March 31, 2004
Appendix H: Mandated Agency Monthly Billing Form
Appendix I: Subsidiary Agreement Programs and Services
Appendix J: List of Mandated Agency QA Reviews Completed by the CFS Division
Appendix K: Mandated Agencies' Child Needs Assessment Tool
Appendix L: The Child and Family Services Act - Rescinded Sections
Appendix M: The Adoption Act - Rescinded Sections

1.0 Executive Summary

This report examines the Child and Family Services Division (CFS Division) of the Department of Family Services and Housing (Department), which was responsible for oversight of mandated agencies prior to the proclamation of *The Child and Family Services Authorities Act* (The CFSA Act). **It is important to note that we did not audit the quality of child care provided by the CFS Division and the mandated agencies.**

Our objectives were:

- To determine whether the CFS Division had an effectively functioning accountability framework in place as at March 31, 2004 and to ensure that the mandated agencies were performing as expected by the CFS Division;
- To determine whether the mandated agency funding model for children in care was appropriate to ensure fair and equitable funding levels were provided consistent with the expected quantity and quality of services;
- To determine whether their management practices were sufficient to ensure the needs of children in care were effectively addressed. We examined four mandated agencies; and
- To gain an understanding of the roles and responsibilities of the CFS Authority Boards of Directors and review the governance structures put in place by each CFS Authority by March 31, 2005.

With respect to our objectives, we concluded that:

As at March 31 2004, an effective accountability framework over mandated agencies with respect to children in care was not fully in place. As at that date, systemic issues such as: a funding model that could not be fully explained; insufficient monitoring over mandated agencies; and an incomplete and inaccurate central information system that could not be relied upon as a planning resource had not yet been addressed. As a result of our audit, we also concluded that management practices at mandated agencies required strengthening, and that as at March 31, 2005 the CFS Authority Boards were at different stages of development and were actively working to ensure that appropriate governance structures were in place.

The CFS Division focused considerable effort on the development and implementation of plans to successfully transition the responsibility for mandated agencies to the four CFS Authorities. Many of the existing systemic problems under the CFS Division identified in our report had been recognized and acknowledged with plans to address them either during, or after this devolution process. The devolution Implementation Plan anticipated addressing these areas prior to March 31, 2004. A number of these areas had not yet been addressed by March 31, 2004.

The Department and the CFS Authorities are involved in discussions around funding capacity and resource issues that may have a significant impact on the pace of change in

addressing long-standing systemic problems or issues. It is also appreciated that competing demands present challenges in addressing recommendations in this report and that they must be assessed and prioritized in the context of all changes being addressed in the area of child and family services.

DEVOLUTION OF CHILD AND FAMILY SERVICES

In 1999, the Government of Manitoba launched a major restructuring of the Province's child and family services system. Guided by recommendations of the 1991 Report of the Aboriginal Justice Inquiry, the process culminated in the proclamation on November 24, 2003, of *The CFSA Act*. *The CFSA Act* transferred responsibility for oversight of agencies mandated to provide social services from the Province to four new Child and Family Services (CFS) Authorities.

Prior to the proclamation of *The CFSA Act* on November 24, 2003, a conceptual plan for the restructuring of the child and family service system in Manitoba was prepared in July 2001 and a draft *Implementation Plan* was prepared and dated November 2002. The *Implementation Plan* highlighted the necessary work to be done as part of the transfer of responsibility for oversight of mandated agencies to the four new CFS Authorities. Seven working groups were established and prepared final reports as part of the Child and Family Services Restructuring Initiative mandated by the Memorandums of Understanding and the Protocol Agreement signed between the Province of Manitoba, the Manitoba Metis Federation, the Manitoba Keewatinowi Okimakinak, and the Assembly of Manitoba Chiefs. The working group reports were completed by December 2000, and provided recommendations for the Implementation Committee to consider for incorporation into the Implementation Plan in the following areas:

- Research;
- Inter-jurisdictional/Intersectoral;
- Finance;
- Human Resources;
- Service Delivery;
- Legal and Legislative; and
- Technology.

The *Implementation Plan* covered the period from the establishment of the CFS Authorities in late 2001 to the anticipated "Phase 5" completion by the fourth quarter of 2005. It was during this timeframe that any systemic problems or issues that had been identified by the seven working groups, where consensus was reached, would be addressed.

Certain of the conclusions that are contained in the OAG Report were earmarked to be addressed as part of the *Implementation Plan*. As at August 2006, implementation continues, but at a slower pace than originally planned. We acknowledge the consensus decision that was made by the Province of Manitoba and Aboriginal governments to address the administrative weaknesses as a high priority only after the transfer of governance and related work outlined in the Implementation Plan had been completed. Our audit does not question this decision, but does identify the specific weaknesses we observed at the time of the audit which we believe should be addressed as a priority.

ACCOUNTABILITY FRAMEWORK (SECTION 3.0)

An effective accountability framework at the CFS Division was important to ensure that the mandated agencies delivered services appropriately on behalf of the Director of CFS.

As at March 31, 2004, an effective accountability framework was not fully in place to ensure that the mandated agencies were performing as expected by the CFS Division.

Our observations, as at March 31, 2004, were as follows:

No Service Purchase Agreements (SPAs) Were In Place for 11 Mandated Agencies

- A majority of the mandated agencies did not have SPAs with the CFS Division prior to the transferring of responsibilities to the CFS Authorities. The CFS Division had only 5 SPAs in place with mandated agencies. As a result, the duties and responsibilities of the 11 mandated agencies were not specifically identified, nor agreed to. This concern was previously expressed in a 1999 audit report released by the Office of the Auditor General (OAG).
- The lack of SPAs with each mandated agency increased the risk that a mandated agency was not performing its responsibilities as expected by the CFS Division.
- We also observed that the Province subsequently had no performance agreements with the CFS Authorities. CFS Authorities began overseeing mandated agencies in November 2003.

There Was Insufficient Monitoring By the CFS Division of Mandated Agency Operations

- The CFS Division did not establish measurable goals for the Child Protection Branch to reference as a basis for assessing the performance of mandated agencies.
- The CFS Division did not establish a performance-measurement framework to evaluate the effectiveness and efficiency of the mandated agencies.
- Although mandated agency reporting requirements stated that planned program results should be negotiated with each mandated agency and reflected in their SPA, we found that the five SPAs in place did not identify any program result expectations.
- Limited, timely financial and statistical information was received from mandated agencies. When information was received, only a limited review of the information was performed by the CFS Division. Consequently, the CFS Division had incomplete information for monitoring the mandated agencies.
- The CFS Division had no Quality Assurance (QA) review plan and had not performed any QA reviews of mandated agencies since October 2001. As at March 31, 2004, QA reviews had not been performed, for on average, 5.5 years. As well, the deficiencies identified in prior QA reviews had not been followed up and resolved.

- The *Quality Assurance Manual* was not updated for program and service standard changes that occurred in 1999 and 2001. As a result, QA reviews that were conducted between January 2000 and October 2001 referenced the 1988 standards, and not revised standards. In addition, the CFS Authorities were provided with outdated QA review material upon which to base their own QA reviews.
- In our review of four mandated agencies, we noted the following issues that may have been resolved, had effective QA reviews been performed:
  - Two mandated agencies reviewed were using out of date case management standards;
  - Active foster homes were allowed to operate with expired licenses;
  - Child care plans were not consistently documented, reviewed and updated;
  - Quarterly supervisory reviews were not always documented to evidence that they were performed; and
  - Billings for the fee-for-service component of the special needs rate included items (respite, therapy, travel etc) that were required to be billed separately.

CFSIS Was Not Accurate or Complete

- The Child and Family Service Information System (CFSIS) was developed by the Department as a case-management system to be used by agency workers, supervisors, and administrative staff to record cases and monitor the service provided to children and their families. CFSIS also operated as a registry for children in provincial care and for licensed foster parents.
- Some mandated agencies did not have access to CFSIS, while some of those that did have access failed to use it for case management purposes.
- CFSIS was not being appropriately updated, as follows:
  - Some children were recorded incorrectly as either federal or provincial children in care;
  - Some children in care were recorded as being no longer in care;
  - Some active children recorded as being cared for at a specific agency, were actually cared for by another agency;
  - Some licensed foster homes had not been entered;
  - The most current license renewal dates were not input for some foster homes; and
  - Some inactive foster homes were shown as active.

MANDATED AGENCY FUNDING MODELS (SECTION 4.0)

Because of a the lack of information on the logic supporting the funding models' calculations, we were unable to conclude on whether mandated agency funding models were appropriate, or resulted in sufficient funding to ensure that the expected quantity and quality of services could be consistently delivered. Among our findings:

Funding Models Were Not Reviewed and Updated on a Periodic Basis

- The CFS Division funded mandated agencies based on assumptions made more than 15 years ago. Inflationary increases to input elements such as salary costs, travel, etc., had been reflected in funding calculations to the extent provincial estimates enabled.

Support for Funding Models' Logic and Assumptions Was Not Documented

- CFS Division staff were unable to provide support of the logic for most differences in the funding calculations between each type of mandated agency, as well as the difference in the base amounts for each component of the calculation. This created the situation where the central support program grant for each mandated agency type was potentially inequitable. This in turn, may have had an impact on the quantity and quality of services that could be delivered consistently by each mandated agency.

The CFS Division Did Not Have Adequate Processes in Place to Review Mandated Agency Billings for Validity and Accuracy

- There were inadequate processes to ensure the validity and accuracy of mandated agency child maintenance billings. While the CFS Division review of mandated agency billings provided assurance that the billing calculations were accurate based on information received, they did not verify that mandated agency billings were based on approved rates for valid provincial children in care. The CFS Division did not confirm that all children on mandated agency billings were recorded accurately in CFSIS.

MANDATED AGENCY OPERATIONS (SECTION 5.0)

Weaknesses existed in management practices at the four mandated agencies reviewed. Our observations were as follows:

Administrative Management Practices in Certain Areas Were Weak and/or Inconsistent

- Mandated agency strategic planning activities were limited.
- Mandated agency expenditure governance practices were weak:
  - Boards for three of the four mandated agencies we reviewed approved budgets for amounts higher than the funding approved by the CFS Division in its funding letter to the agency; and
  - Boards for two of the four mandated agencies reviewed were not being provided with budget to actual variance analyses.
- There were inconsistencies in how various administrative items were handled.

- Mandated agencies were not ensuring that billings to the CFS Division were accurate and reflected Special Needs Committee (SNC) and CFS Division approved rates:
  - For 16% of 120 children in care files examined, the mandated agencies' March 31, 2004 billings did not agree to the mandated agencies' SNC approved rate. For 7%, the special needs rates had not been approved by the mandated agencies' SNCs. In addition, for 20% of the 74 children with rate changes during March 2004, mandated agencies could not provide documentation that their SNCs had approved the billed rates.
  - Two of the four mandated agencies we examined (WCFS and Agency A) funded certain foster parents outside of the Department's child maintenance system. They referred to these foster parents as "Specialized Foster Parents". This category for funding was not established or approved by the CFS Division. Nonetheless, the Department paid the amounts billed by the mandated agency.
- All mandated agencies reviewed were not disbursing agency allowance funds equitably or appropriately for the children in their care. Agency allowance funding is provided for children in care, and is expected to be used for their gifts, education, activities, and other special occasions. During the year ending March 31, 2004, the WCFS funded certain transportation costs resulting from home visits from the agency allowance, while these costs should have been funded through special needs funding. This practice has since been corrected.
- Foster parents and other outside workers seldom, if ever, completed the declarations of confidentiality. For our sample of 219 individuals, only 98 or 45% had signed declarations on file. In addition, Pledge of Confidentiality declarations for Section 7 of the *Personal Health Information Regulation* had not been completed by mandated agency staff and foster parents.

Child Care Management Practices Were Inconsistently Applied

- Different needs assessment scoring tools were used by mandated agencies for special needs children in care. As a result, similar needs children were funded at different rates.
  - Despite having its own needs-assessment tool, the CFS Division allowed mandated agencies to establish their own need assessment tools to identify the level of care and funding required for each foster child. As a result, the rates paid to foster parents for special needs children were not consistent between mandated agencies.
- Three mandated agencies' SNCs did not plan to review special needs child maintenance on a semi-annually basis as required by the *Agency Funding Guidelines.*
- For 47% of the child care files reviewed by the OAG, the pertinent mandated agency's SNC had not reviewed the child's maintenance needs in the last six months of the period ending March 31, 2004. The WCFS

did not carry out these reviews because on January 25, 2002, it unilaterally imposed a freeze on special rates for children in their care. This freeze was still in effect on March 31, 2004. Because no reviews were conducted, if the needs of the children had increased, no additional funding would have been provided to the foster parents.

- 15% of child care plans sampled were not updated within the year ended March 31, 2004, and an additional 10% of the plans were not found. Department policy required at least annual updating of child care plans.
- 79% of the child care files sampled lacked evidence that quarterly supervisory reviews were conducted. Standard forms were in place at only two mandated agencies.

Foster Homes Were Not Consistently Reviewed and Re-licensed Annually

- According to a report prepared for us by the CFS Division, 31% of active foster homes were operating with expired licenses. *The CFS Foster Care Regulation* requires that foster home licenses be renewed on an annual basis. In order to renew its yearly license, a foster home must undergo a review to assess the care being provided, the living conditions, and the family dynamics. We examined 49 expired licenses and found that the foster homes had been allowed to operate with expired licenses for a range of one month to six years. Although foster homes are regularly monitored by support workers and other service agency personnel, the formal review of a foster home that accompanies the re-licensing process would enhance the detection of any unfavourable changes to an environment in which a child in care has been placed.
- Criminal, medical, child-abuse or prior contact checks were not updated at the time of foster home re-licensing. CFS Division staff advised that criminal record and child abuse registry checks were only required of foster parents when the homes were initially licensed.
- We believe that re-checks should be done more regularly and the Department should consider requiring periodic updates to ensure that licensing agencies are informed in a timely way when criminal charges are laid that involve adults or respite workers connected to a licensed foster home.
- For the foster parent files we examined, 10% did not have criminal records checks and 8% did not have child abuse registry checks on file. Of those on file, 22% of criminal record checks and 23% of child abuse registry checks were over five years old.

TRANSITION OF ROLES AND RESPONSIBILITIES TO THE CFS AUTHORITIES (SECTION 6.0)

CFS Authority Boards Were Working Actively To Put In Place An Appropriate Governance Structure and Establishment of Leading Governance Practices was Still in Development.

- The CFS Authority Boards were at different stages of development in establishing their governance structures and practices. The year ended

March 31, 2005 represented the first full year of operations for the CFS Authorities. As the CFS Authorities assume their delegated roles and responsibilities more fully, each CFS Authority Board of Directors must ensure that appropriate mechanisms are established to enable effective decision-making, ensure clear accountability, and provide for regular review and assessment of its management and operations.

- Although the specific governance practices of each CFS Authority Board may differ based on their Authority's unique environment, all the Boards of Directors should ensure they are actively involved in setting their Authority's strategic direction and providing it with rigorous monitoring and financial oversight.

CFS Authorities Expressed Concerns That Their Ability To Fulfill The Duties Of A CFS Authority Was Constrained

- Some of the challenges brought to our attention included the need to:
  - Develop strong working relationships with mandated agencies;
  - Clarify, enhance and enforce the reporting requirements of mandated agencies. The CFS Division's lack of enforcement of its reporting requirements (as noted in **Section 3.3**) was viewed as contributing to the CFS Authorities' challenge in now enforcing the requirements;
  - Have sufficient funding for CFS Authority staffing and operations. The CFS Authorities indicated that they did not have input into the funding provided to them;
  - Define the future use of a Province-wide information database; and
  - Clarify roles and responsibilities between the Department and the CFS Authorities in areas where there may be overlap.

The CFS Act and The Adoption Act Was Not Amended to Reflect Changes in the Director of CFS's Powers

- *The CFSA Act* and the related regulations contain provisions that specifically rescind the powers of the Director of CFS as outlined in *The CFS Act* and *The Adoption Act*. *The CFS Act* and *The Adoption Act* were not amended to reflect the substantial changes in the Director's powers.

Our report contains recommendations in **Section 7.0** for the Province of Manitoba and for the Department of Family Services and Housing. As well, recommendations are provided for consideration by the CFS Authorities and all mandated agencies. The recommendations are based on our work reviewing the pre-devolution situation and our review of four mandated agencies.

2.0 Introduction

2.1 INITIATION

In 1999, the Government of Manitoba launched a major restructuring of the Province's child and family services system. Guided by recommendations of the 1991 Report of the Aboriginal Justice Inquiry, the process culminated in the proclamation of *The Child and Family Services Authorities Act* (The CFSA Act) on November 24, 2003. *The CFSA Act* transferred responsibility for oversight of agencies mandated to provide social services, from the Province to four new Child and Family Services (CFS) Authorities (**Appendix A**). *The Child and Family Services Act* (The CFS Act) and *The Adoption Act* remain in effect.

Because of the significance of the devolution of provincial responsibilities to the CFS Authorities, and the potential impact on children in care and families, we initiated an audit to assess whether the Child and Family Services Division (CFS Division) of the Department of Family Services and Housing (Department) had effective processes and practices, in relation to mandated agencies, in place prior to the transfer of these responsibilities. For the year ending March 31, 2004, the Province of Manitoba spent $138.5 million to provide child and family services through mandated agencies.

Our audit was conducted under the authority of *The Auditor General Act*:

> *"Section 14(1)*
>
> *In carrying out his or her responsibilities under the Act, the Auditor General may examine and audit the operations of a government organization with regard to any of the following matters:*
>
> *a) whether financial and administrative provisions of the Act, regulations, policies and directives have been complied with;*
>
> *b) whether public money has been expended with proper regard for economy and efficiency;*
>
> *c) whether the Assembly has been provided with appropriate accountability information;*
>
> *d) Whether the form and content of financial information documents is adequate and suitable.*
>
> *Section 15(1)*
>
> *The Auditor General may conduct an examination and audit in respect of public money received by the recipient of public money, including the matters listed in subsection 14(1), and may require the recipient to prepare and give to the Auditor General the financial statements setting out the details of the disposition of the public money received."*

2.2 OBJECTIVES AND SCOPE

Objectives

We established the following objectives:

1. **Accountability Framework (Section 3.0)**
   - To determine whether an effective accountability framework was in place to ensure the mandated agencies were performing as expected by the Department.

2. **Funding Models (Section 4.0)**
   - To determine whether the mandated agency funding model for children in care was appropriate to ensure fair and equitable funding levels were provided consistent with the expected quantity and quality of services.

3. **Mandated Agency Operations (Section 5.0)**
   - To determine whether management practices at mandated agencies were sufficient to ensure the needs of children in care were effectively addressed.

4. **Transition of Roles and Responsibilities From the Department to the CFS Authorities (Section 6.0)**
   - To gain an understanding of the roles and responsibilities of the CFS Authority Boards of Directors and review the governance structures put in place by each CFS Authority by March 31, 2005.

A glossary of terms utilized throughout this report is provided in **Appendix B**.

Scope

Our audit was conducted between May 2004 and August 2006 and was performed in accordance with value-for-money auditing standards recommended by the Canadian Institute of Chartered Accountants and accordingly included such tests and other procedures as we considered necessary.

For objectives 1, 2 and 3, the period reviewed was within the fiscal years ending March 31, 2003 and March 31, 2004. For objective 4, the period reviewed was for the fiscal year ending March 31, 2005 which was the first full year of operation for the CFS Authorities.

We conducted numerous interviews and reviewed documentation and information for the periods reviewed. This included meeting with representatives of the CFS Division including the Director of CFS (also referred to as the Director of Child Welfare); the Chief Executive Officers, Chief Financial Officers and Chairpersons of the CFS Authorities; and certain First Nation Grand Chiefs.

We reviewed a sample of 4 out of 17 mandated agencies (including WCFS and excluding regional offices). We conducted interviews with the Chief Executive Officers and Chief Financial Officers of those mandated agencies. Interviews were not conducted with

mandated agency board members. Upon completion of the work done at each mandated agency, audit findings were discussed, reviewed, and agreed to by these mandated agencies, which then provided the OAG with their respective action plans.

Our audit did not assess:

- The quality of care provided by the mandated agencies;
- The repatriation of children to their birth and extended families;
- The operations of regional offices; nor
- The services provided by the new CFS Authorities, subsequent to devolution.

Devolution of Child and Family Services

Prior to the proclamation of *The CFSA Act* on November 24, 2003, a conceptual plan for the restructuring of the child and family service system in Manitoba was prepared in July 2001 and a draft *Implementation Plan* was prepared and dated November 2002. The *Implementation Plan* highlighted the necessary work to be done as part of the transfer of responsibility for oversight of mandated agencies to the four new CFS Authorities. Seven working groups were established and prepared final reports as part of the Child and Family Services Restructuring Initiative mandated by the Memorandums of Understanding and the Protocol Agreement signed between the Province of Manitoba, the Manitoba Metis Federation, the Manitoba Keewatinowi Okimakinak, and the Assembly of Manitoba Chiefs. The working group reports were completed by December 2000, and provided recommendations for the Implementation Committee to consider for incorporation into the *Implementation Plan* in the following areas:

- Research;
- Inter-jurisdictional/Intersectoral;
- Finance;
- Human Resources;
- Service Delivery;
- Legal and Legislative; and
- Technology.

The *Implementation Plan* covered the period from the establishment of the CFS Authorities in late 2001 to the anticipated "Phase 5" completion by the fourth quarter of 2005. It was during this timeframe that any systemic problems or issues that had been identified by the seven working groups, where consensus was reached, would be addressed.

Certain of the conclusions that are contained in the OAG Report were earmarked to be addressed as part of the *Implementation Plan*. As at August 2006, implementation continues, but at a slower pace than originally planned.

The Department and the CFS Authorities are involved in discussions around capacity and resource issues that have a significant impact on the pace of change in addressing long-standing systemic problems or issues. It is also appreciated that competing demands present challenges in addressing recommendations in this report and that they must be assessed and prioritized in the context of all changes being addressed in the area of child and family services.

2.3 BACKGROUND

The Department – Family Services and Housing

Child and family services in Manitoba are governed by *The CFS Act*, *The Adoption Act*, and *The CFSA Act*. Prior to the creation of the CFS Authorities, services were mainly provided by a number of external mandated agencies funded by, and responsible to, the Department. The Department used mandated agencies to deliver the following programs:

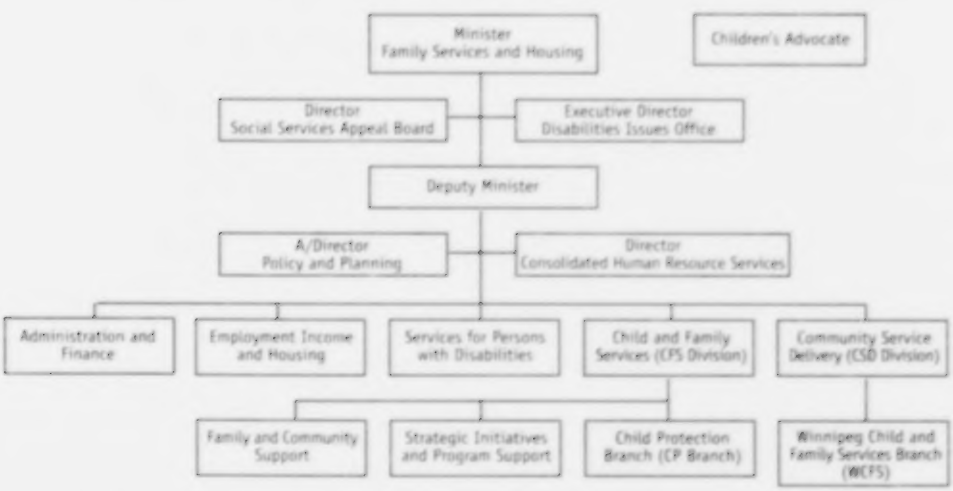
- Child Protection;
- Children in Care;
- Family Support;
- Services for Young Offenders;
- Outreach/Liaison Services;
- Off-Reserve Services;
- Adoption;
- Post-Adoption Repatriation; and
- Community Awareness and Program Development.

When *The CFSA Act* was proclaimed on November 24, 2003, four CFS Authorities were created and became responsible for administering and providing child and family services in Manitoba. The mandated agencies now report to these CFS Authorities. *The CFSA Act* allows a CFS Authority to replace the Board of a mandated agency for which it has responsibility, and allows the Minister to replace the Board of a CFS Authority. As noted in **Appendix C**, certain powers of the Director of CFS ceased with respect to mandated agencies. These responsibilities were assumed by the CFS Authorities.

At the time of our audit, the Department was organized into five Divisions. Pertinent to this report, are the Community Service Delivery (CSD) Division and the Child and Family Services (CFS) Division which are highlighted in **Figure 1**.

FIGURE 1

Department of Family Services and Housing
As at March 31, 2004



Source: Family Services and Housing 2003/04 Annual Report

As at March 31, 2004, the CSD Division was responsible for funding the operations of the Winnipeg Child and Family Services Branch (WCFS) and regional offices. All other mandated agencies received funding for operations and child maintenance through the CFS Division. The WCFS Branch and regional offices received funding for child maintenance through the CFS Division.

All 17 mandated agencies (including the WCFS) and the regional offices reported children in care matters to the Child Protection (CP) Branch. The CP Branch of the CFS Division provided program management and co-ordination for the CFS Division's core protection, emergency, crisis, and related support services for children and families. The CP Branch relied on mandated agencies to provide the necessary resources to maintain children safely within the community and, where required, to ensure the protective placement of children.

With the proclamation of *The CFSA Act*, the CP Branch's role changed from working with stakeholders in the development of strategic plans for the child and family services system, to working with the CFS Authorities and other stakeholders. The CP Branch's stated objectives in the Department's 2003/04 Annual Report were to:

- *ensure that the community and families provide for the well-being of their children under The Child and Family Services Authorities Act, The Child and Family Services Act, and The Adoption Act;*
- *manage, direct, and support branch programs to ensure effective service delivery within available budgetary and human resources; and*
- *plan and develop a comprehensive continuum of child and family services throughout the province designed to support, supplement and, where necessary, substitute for parental care. This responsibility includes administrative, program, and funding support for the four Child and Family Services Authorities to provide high-quality services in accordance with provincial statutory requirements, policy direction, and budgetary allocations.*

The CFS Authorities

The CFS Authorities are:

- **First Nations of Southern Manitoba Child and Family Services Authority**: The Board is appointed by the Assembly of Manitoba Chiefs (AMC) Secretariat Inc. on the recommendation of the Southern First Nations members of the Assembly;
- **First Nations of Northern Manitoba Child and Family Services Authority**: The Board is appointed by the Manitoba Keewatinook Ininew Okimowin Inc. (MKO);
- **General Child and Family Services Authority**: The Board is appointed by the Minister; and
- **Métis Child and Family Services Authority**: The Board is appointed by the Manitoba Métis Federation Inc.

The CFS Authorities are to provide full services under *The CFSA Act* and *The Adoption Act* throughout the province in a concurrent jurisdiction system that is not geographically based. The CFS Authorities do not deliver services directly, but play an integral role in the coordination of services province-wide, and they oversee the mandated agencies providing these services. The services delivered by these mandated agencies are to be culturally appropriate and based on an understanding of Aboriginal families and communities. The duties of a CFS Authority under *The CFSA Act* are noted in **Appendix D**.

Under the new system, children in care were to be transferred to the appropriate CFS Authority so that Aboriginal children and youth receive services from an Aboriginal mandated agency. Child and family services for non-Aboriginal families was to continue being delivered throughout the province by existing mandated agencies under the General CFS Authority. The Office of the Children's Advocate continues to service all children and youth.

The responsibilities of the CFS Authorities include:

- Delegating the mandate for service delivery to their respective service delivery agencies;
- Developing policies and procedures;
- Assessing needs, setting priorities, planning, funding and service management;
- Ensuring that children and families have access to quality services;
- Ensuring that policies and standards are followed;
- Monitoring and assessing service delivery;
- Working with other Authorities community partners, private bodies and government to coordinate service delivery; and
- Promoting collaboration and cooperation among communities, services affiliates, and CFS Authorities.

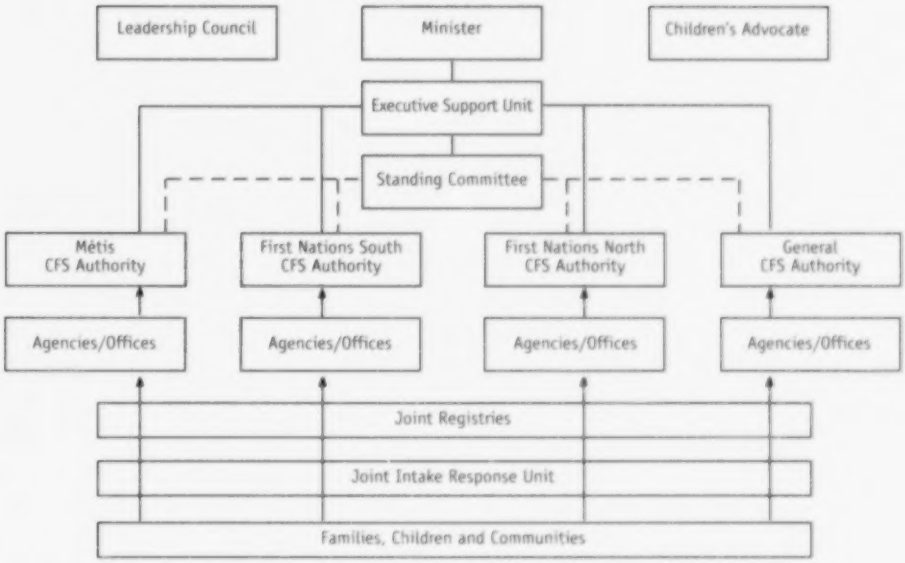
The CFSA Act specifies that each CFS Authority is required to:

- Submit a yearly budget to the provincial Director of CFS at a time and in a manner set by the Director of CFS;
- Keep financial records in accordance with directions from the Director of CFS;
- Submit reports, return, statistical information and financial statements, including audited financial statements, at a time and in a manner set by the Director of CFS;
- Prepare and submit an annual report that includes audited financial statements to the Minister and to the organization that appoints the Board of the CFS Authority; and
- Manage and allocate funds provided in accordance with *The CFSA Act*.

The organizational structure of the CFS Authorities, effective November 24, 2003, is shown in **Figure 2**. As at March 31, 2004, the Joint Intake Response Unit was not operational and WCFS was providing intake services for the city of Winnipeg only. The Métis CFS Authority was in the process of establishing a mandated agency at the time of our audit, and did not have children in care as of March 31, 2004.

FIGURE 2

Child and Family Services Authorities Proposed Reporting Model as at March 31, 2004



Source: CFS Division

Funding to CFS Authorities

The CFS Authorities are funded by the Department. As of March 31, 2004, all funding to the mandated agencies continued to flow from the Department.

During 2002, the Province of Manitoba approved funding to the four CFS Authorities for their establishment, and for general meeting costs related to their participation in the AJI-CWI. Funding was provided for seven positions in each CFS Authority. Each CFS Authority staffed their operations differently. The General CFS Authority was staffed with employees seconded from the Department.

Funding provided to each of the CFS Authorities is shown in **Figure 3**.

FIGURE 3

**Department Funding to CFS Authorities
For the Years Ending March 31, 2003 to March 31, 2005**

Year Ended March 31	Type of Funding	First Nations of Southern Manitoba CFS Authority	First Nations of Northern Manitoba CFS Authority	Métis CFS Authority	General CFS Authority	Total
2003	Core Grants (ongoing)	$ 526.1	$ 526.0	$ 472.0	$ 32.4	$1,556.5
	Transition Costs (1)	-	-	-	-	-
	Process Costs (2)	62.3	192.0	129.7	-	384.0
	Total	**$ 588.4**	**$ 718.0**	**$ 601.7**	**$ 32.4**	**$1,940.5**
2004	Core Grants (ongoing)	$ 534.0	$ 569.0	$ 534.0	$ 495.3	$2,132.3
	Transition Costs (1)	642.5	673.6	405.8	326.6	2,048.5
	Total	**$1,176.5**	**$1,242.6**	**$ 939.8**	**$ 821.9**	**$4,180.8**
2005	Core Grants (ongoing)	$ 542.1	$ 577.4	$ 542.1	$ 542.1	$2,203.7
	Transition Costs (1)	236.8	147.3	159.0	-	543.1
	Total	**$ 778.9**	**$ 724.7**	**$ 701.1**	**$ 542.1**	**$2,746.8**

Source: CFS Division

(1) Transition costs were one time costs used for CFS Authority development and mandated agency site development.
(2) Process Costs were for:
a) Planning activities of the Joint Management Committee, Implementing Committee, and the Steering Committee; and
b) Seven working groups established to develop recommendations for restructuring the CFS system.

Authority Determination Process

The transfer of children to the culturally appropriate CFS Authority was implemented through an Authority Determination Process (ADP) process, beginning in April 2003 with on-site training in each mandated agency. Each mandated agency began contacting families and completing the ADP. The first regional office to begin completing ADPs with families was Interlake in April, 2003. Following that, Eastman began in late August or early September 2003. Other regional offices, as well as two mandated agencies (Central Child and Family Services, and Child and Family Services of Western Manitoba), began the ADP process with families before the end of 2003.

Following the completion of the ADP, a planned "go live" date was established for each regional office and mandated agency, at which time the transfer process would begin. That process included preparation of case transfer summaries, transfer of guardianships, case-by-case reviews between the sending and receiving agencies and meetings with families and the staff of the receiving agencies. The mandated agencies involved, along with a provincially-appointed coordinator, were responsible to begin and complete the process. At the end of the process, legal and service responsibility was transferred. This was signaled by an acceptance letter from the receiving mandated agency to the sending mandated agency. Until that letter was delivered and received, the sending mandated agency continued to be responsible for the case. In addition to this documentation which is maintained by the mandated agencies involved in the case files, the transfers were recorded in the Child and Family Services Information System (CFSIS).

Interlake was the first region scheduled to "go live" on November 24, 2003. However, the first actual transfer of responsibility occurred in January/February 2004. A total of

75 cases were transferred. Similarly, the Eastman "go live" date was March 2, 2004, but actual transfers of responsibility did not begin until May, 2004. A total of twenty-five cases were transferred from Eastman.

The Mandated Agencies

All mandated agencies are now accountable to the CFS Authorities. *The CFSA Act* requires each mandated agency to be incorporated under *The Corporations Act*. A list of the mandated agencies and the First Nation Reserves serviced by them are provided in **Appendix A**. Duties of mandated agencies are seen in **Appendix E**.

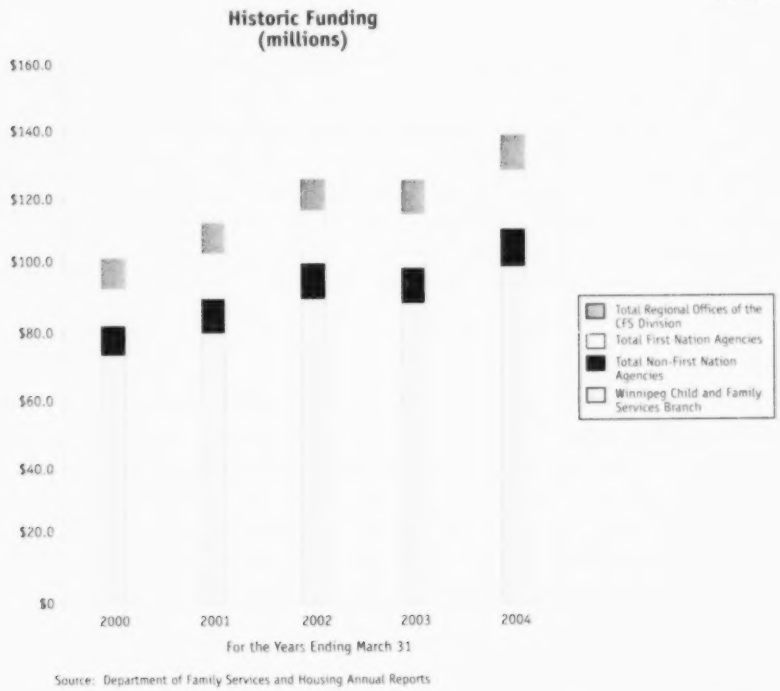
Funding

Funding from the Department to the mandated agencies, as well as to the regional offices and to the WCFS Branch is shown in **Figure 4**. Total funding increased from $102.3 million for the year ending March 31, 2000 to $138.5 million for the year ending March 31, 2004. Detailed funding to each mandated agency is shown in **Appendix F**.

Total funding for foster care was $61.8 million for the year ending March 31, 2000 and $84.1 million for the year ending March 31, 2004. Residential care for provincially funded group homes was $14.1 million for the year ending March 31, 2000 and $16.0 million for the year ending March 31, 2004.

The direct, mandated agency costs per child in care including specialized, emergency and foster placements increased from $18,200 per year for the year ending March 31, 2000 to $22,800 per year for the year ending March 31, 2004. The direct costs for child in care that were in provincially funded group homes increased from $62,700 for the year ending March 31, 2000 to $69,600 for the year ending March 31, 2004.

FIGURE 4



Source: Department of Family Services and Housing Annual Reports

Caseloads

The number of children in care totaled 5,568 as at March 31, 2000 and totaled 5,782 as at March 31, 2004 for a 3.8% increase over the five year period. **Figure 5** shows the number of children in care by the responsible mandated agency or regional office.

FIGURE 5

Children In Care

Agencies/Offices	As at March 31				
	2000	2001	2002	2003	2004
General Authority					
Child and Family Services of Central Manitoba	112	119	117	138	122
Child and Family Services of Western Manitoba	193	158	197	209	213
Jewish Child and Family Services	11	11	13	16	17
Churchill Child and Family Services	13	13	11	15	12
Eastman	88	91	48	54	54
Interlake	82	86	74	94	70
Parkland	114	113	111	110	108
Norman	79	76	106	110	339
Thompson	274	245	247	228	Part of Norman
Winnipeg Child and Family Services	2,509	2,431	2,427	2,525	2,615
Total	3,475	3,343	3,351	3,499	3,550
First Nations Southern Authority					
Anishinaabe Child and Family Services	242	276	260	188	221
Dakota Ojibway Child and Family Services	279	260	304	266	261
Intertribal Child and Family Services	-	-	-	71	91
Peguis Child and Family Services	69	58	74	65	76
Sagkeeng Child and Family Services	-	-	54	53	67
Southeast Child and Family Services	506	420	448	399	501
West Region Child and Family Services	300	325	323	313	318
Total	1,396	1,339	1,463	1,355	1,535
First Nations Northern Authority					
Awasis Agency of Northern Manitoba	258	342	221	235	233
Cree Nation Child and Family Caring Agency	315	261	221	212	192
Island Lake First Nations Family Services	72	96	134	109	120
Kinosao Sipi Minisowin Agency	52	59	54	74	59
Nisichawayasihik Cree Nation Family and Community Services	-	-	51	49	93
Total	697	758	681	679	697
Overall Total	5,568	5,440	5,495	5,533	5,782

Figure 6 indicates the percentage of children in care by status for a four year period.

FIGURE 6

Children In Care by Status

Status	As at March 31			
	2001	2002	2003	2004
Treaty	66.6%	66.7%	65.8%	69.6%
Non-Aboriginal	19.8%	19.0%	19.3%	17.0%
Non-Status	7.0%	7.7%	7.3%	4.6%
Metis	6.6%	6.6%	7.6%	8.8%
Inuit(1)	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Source: Prepared by Office of the Auditor General from Department of Family Services and Housing Annual Reports.

(1) In 2001, there were four Inuit children; 2002, four children; 2003, nine children; and 2004, nine children.

Special Needs Committees (SNCs)

Departmental standards state: *"Each agency/regional office must have an internal approval process that ensures consistency and rationale for special needs rates within the agency. The organization structure may involve a 'panel' or 'committee'..."*. Such panels or committees are referred to a Special Needs Committees (SNC).

The roles and responsibilities of the SNCs are itemized in the Department's *Agency Relations Manual.*

The SNCs are comprised of mandated agency supervisors as well as a representative from the mandated agency's finance area. Mandated agency resource coordinators may also be on the SNC. Every child in care is funded a basic maintenance rate per day to cover the basic foster care needs of the child. Basic foster care maintenance rates are outlined in **Appendix G**.

A point based functional needs assessment is completed by the direct service worker on the child in care that identifies the needs of the child. If the needs of the child do not exceed a predetermined points level, the child is funded the basic maintenance rate. If the needs exceed the predetermined point level, the SNC at the mandated agency is required to review the needs assessment, and determine the amount of additional funding that is a component (fee-for-service) of the special needs rate.

The SNC can also approve additional funding for any special needs of a child in care such as respite, therapy, transportation, clothing and other special health needs. On a monthly basis, the mandated agency (with the exception of the WCFS which receives a budget) bills the Department for each child in care based on these established rates using the form outlined in **Appendix H**.

3.0 Accountability Framework

We reached the following overall conclusions in relation to the accountability audit objective and criteria:

Audit Objective and Criteria	Conclusions
To determine whether an effective accountability framework was in place (prior to devolution to the CFS Authorities) to ensure the mandated agencies were performing as expected by the Department.	An effective accountability framework was not yet in place prior to devolution to ensure that mandated agencies were performing as expected by the Department.
The following criteria were reviewed:	
3.1 The Department should have formal results-oriented goals for the Child Protection (CP) Branch of the CFS Division, and mandated agency performance expectations should be linked to these goals.	• **No measurable goals were in place** – The Department did not have formal results-oriented goals and outcome measures for the CP Branch. As a result, mandated agency performance was not linked to Department expectations.
3.2 Service Purchase Agreements (SPAs) should be in place for all mandated agencies.	• **There were no SPAs for 11 mandated agencies and the WCFS** – As at March 31, 2004, SPAs were not in place for 11 of 16 mandated agencies or for the WCFS.
3.3 Mandated agencies should be monitored to ensure that financial and operational performance shortfalls are identified and acted upon in a timely manner.	• **There was insufficient monitoring of mandated agency operations** – There was limited monitoring of the financial and statistical information received from mandated agencies. The Department did not ensure all required information was received on a timely basis, or that information received was accurate.
3.4 Child care standards should be regularly reviewed and updated by the Department.	• **Child care standards were regularly reviewed and updated by the Department** – We noted that two of the four mandated agencies reviewed, were utilizing out-of-date child care case management standards.

Audit Objective and Criteria	Conclusions
3.5 A Quality Assurance (QA) review process should be in place to ensure that mandated agencies are in compliance with child care standards set by the Department.	• **The Department did not have an effective QA review program** - At the time of our audit, no QA reviews had been performed since October 2001. As at March 31, 2004, reviews of mandated agencies had not been performed for, on average, 5.5 years. The Department did not have a QA plan for conducting reviews. The potential existed that mandated agency practices were not in compliance with child care standards. As at March 31, 2004, the QA review process material was not updated to reflect the existing child care standards and, as such, the CFS Authorities were not initially provided with up-to-date material.
3.6 A QA review process should include a recommendation follow-up process.	• **The Department did not ensure identified deficiencies were addressed** - QA recommendations were not followed up by CFS Division staff. Recommendations generally focused on improving future processes, versus correcting problems identified. As such, the potential existed that the initial problems would not be fully resolved.
3.7 CFS Division and mandated agency processes should be in place to ensure the information in the Child and Family Services Information System (CFSIS) is accurate and complete.	• **CFSIS not accurate or complete** – We encountered situations where children in care information did not match mandated agency information and where foster home information in CFSIS was not accurate or complete.
3.8 Mandated agency billings should be reviewed for validity and accuracy by the CFS Division.	• **The CFS Division did not review mandated agency billings for validity and accuracy** - There were inadequate processes to ensure the validity and accuracy of mandated agency child maintenance billings. While the CFS Division's review of mandated agency billings provided assurance that the billing calculations were accurate based on information received, they did not verify that mandated agency billings were based on approved rates

Audit Objective and Criteria	Conclusions
	for valid provincial children in care. The CFS Division also did not confirm that all children included in mandated agency billings were accurately recorded in CFSIS. The potential existed for inaccurate or invalid payments.
3.9 Chief Medical Examiner recommendations should be followed-up in a timely manner.	• **Chief Medical Examiner recommendations dealing with the failure to comply with provincial standards did not always result in a QA review being conducted** – As a result, systemic, contributing factors to a serious occurrence may not have been identified or addressed in a timely manner.
3.10 The Child Abuse Registry should be updated in a timely manner.	• **The Child Abuse Registry was not notified of convicted child abuse offenders in a timely manner** – The CFS Division advised that, through a recent internal study, they had identified approximately 80 convictions for abuse involving children that had occurred without notification to the Child Abuse Registry. The CFS Division staff advised that they were in the process of reviewing each of these cases to determine if registry should have occurred. As at June 20, 2006, the CFS Division had registered 19 of these cases.
3.11 Recommendations of the Office of the Children's Advocate should be acted upon and progress in implementing the recommendations reported publicly.	• **The Department committed to implementing the March 31, 2004 recommendations from the Office of the Children's Advocate regarding the emergency shelter system** – A progress report was publicly released in February 2005.

3.1 THE DEPARTMENT DID NOT HAVE FORMAL RESULTS-ORIENTED GOALS AND OUTCOME MEASURES FOR THE CHILD PROTECTION BRANCH OF THE CFS DIVISION. AS A RESULT, MANDATED AGENCY PERFORMANCE WAS NOT LINKED TO DEPARTMENT EXPECTATIONS.

Observations

- The Department's 2003/04 Annual Report, included the following goal for the CFS Division:

  > *"To work collaboratively with communities, community organizations, other governments, other funders, and other sectors to improve outcomes and results for children and families."*

- However, the Department did not have outcome measures that could guide the Department and then be used to provide direction to mandated agencies and to measure their performance.

- We reviewed the CFS Division's 2003/04 Strategic Plan. We noted that this document was not a strategic plan, but rather, was a listing of process improvements that were identified to be worked on over the year. The AJI-CWI and the related implementation plan reflected many of the elements of a strategic plan, including an intensive planning process involving a complex, priority issue and the involvement of multiple stakeholders in designing a plan to resolve the issue.

- Agency Reporting Requirements (ARR) guidance indicated:

  > *"Program Results - For those programs funded by the Department of Family Services, budgets shall include financial requirements and planned/anticipated program results. Program results are as agreed upon with the department for each individual agency and will be a part of negotiations regarding Service Purchase Agreements (SPAs)."*

  However, as noted in **Section 3.2**, only five SPAs were in place. These five did not identify any program results expectations.

- In our view, it did not appear that the Department and mandated agencies were operating toward commonly understood managed results.

3.2 AS AT MARCH 31, 2004, SPAS WERE NOT IN PLACE FOR 11 OF 16 MANDATED AGENCIES AND THE WCFS. AS SUCH, AT THE TIME OF DEVOLUTION TO THE CFS AUTHORITIES NO SPAS WERE IN PLACE FOR THESE MANDATED AGENCIES OR THE WCFS.

Observations

- SPAs were intended to detail the roles, responsibilities and provincial expectations of contracted mandated agencies and focus on specifics of a mandated agency's relationship with the CFS Division, including

programs and services, indemnification, liability insurance, funding levels, and financial and statistical reporting requirements

- The four non-First Nation mandated agencies and the WCFS did not have SPAs with the Province.
- As of March 31, 2004, only 5 of the 12 First Nation mandated agencies had agreements with the Province of Manitoba. These took the form of tripartite agreements with the Province, the Government of Canada, and the applicable First Nation. These mandated agencies also had Subsidiary Agreements with the Province that itemized the programs and services as highlighted in **Appendix I** to be delivered, such as:
  - Child protection;
  - Children in care;
  - Child placement protocol;
  - Family support;
  - Services for young offenders;
  - Outreach/liaison services;
  - Off-reserve services;
  - Adoption;
  - Post-Adoption repatriation; and
  - Community awareness and community development.
- For the five SPAs in place, we found that the agreements:
  - Specified start dates, and that termination dates were at the option or discretion of each party;
  - Clearly defined the roles and responsibilities of all parties;
  - Stated that the mandated agency shall provide programs and services consistent with the traditions and culture of the First Nation, as provided for by *The CFS Act* and *The Adoption Act*, and provincial standards and procedures required under these acts;
  - Indicated that a mandated agency needed to comply with the Department's ARR.
  - Did not identify program result expectations;
  - Did not define the funding model;
  - Did not define the content, timing and format of a "Serious Occurrence Report". *The CFS Act* and *The Adoption Act* require reports on serious occurrences be provided in a format specified by the Director of CFS; and
  - Included a statement that access shall be in accordance with *The CFS Act* and *The Adoption Act*.
- As at March 31, 2004, the Province did not have performance agreements with the CFS Authorities.

3.3 THERE WAS INEFFECTIVE MONITORING OF THE FINANCIAL OPERATIONS OF MANDATED AGENCIES.

Observations

ARR Needs Updating

- The CFS Policies and Procedures Manual included the ARR. We noted that reporting requirements had not been updated since 1996. In addition, they did not reflect generally accepted accounting principles with respect to the preparation of a mandated agency's annual financial statements.
- While ARR's required that budget-to-actual-expenditure variances be identified, they did not require that mandated agencies explain the reasons for the variances or identify a plan of action to stay within the funding provided. In addition, the ARR did not require submission of an annual business plan.

Difficulties with the Receipt of Financial Information From Mandated Agencies

- The Department did not ensure all required financial information was received on a timely basis, or that information received was accurate.
- For the period April 1, 2003 to March 31, 2004, the Department's ARR Log indicated that mandated agencies were not consistently complying with reporting requirements. This is highlighted in **Figure 7**.

FIGURE 7

Reporting Submissions from 17 Mandated Agencies (including WCFS) As at May 10, 2004 for the period April 2003 to March 2004

Agency Reporting Requirements	Date to be Received	Received On Time	Received Past Due Date	Not Received
Audited Financial Statements 2002/03	Financial Statements: Within three months of the mandated agency's year end	0	16	1
	Management Letter: Within three months of the mandated agency's year end	0	3	14
Annual Report 2002/03	Immediately following year end or the mandated agency's annual meeting	3	1	13
Supplementary Reports 2002/03	Within three months of the mandated agency's year end	0	0	17
Organizational Information 2003/04	Two months following the mandated agency's annual meeting	0	0	17
Annual Operating Budget for 2003/04	Preliminary by February 28	0	0	17
	Final within 45 days of funding letters	1	3	13
Monthly Financial Reports 2003/04	25th day of the month after the month being reported	1(1)	2(2)	14

Source: Prepared by the Office of the Auditor General from the Department of Child and Family Services - Agency Reporting Requirements Log

(1) For one mandated agency, monthly reports had not been submitted for April 2003 and March 2004, otherwise interim reports were submitted within the required timelines.
(2) For two mandated agencies, 13 of 24 interim financial reports were never received, 7 were received significantly after the deadline, and only 4 of 24 interim reports were received on time.

- No audited financial statements were received when due, requiring Department staff follow-up with the mandated agency in order to obtain this information. Ultimately, most audited financial statements were received.
- There were no corrective action plans requested of mandated agencies that did not meet the reporting deadlines.

Minimal Department Review of Financial Information Received

- As contained in the *Child and Family Services Policies and Procedures Manual*, the Department had created *"Agency Review and Analysis Guidelines"* for the review of mandated agency financial information. We found minimal evidence that these guidelines, and the associated checklists, were used and completed on a routine basis.
- Mandated agency submissions were to be used to complete a monthly financial status report and prepare cash flow information. The purpose was to ensure that overall funding was available to meet known expenses, and to monitor that the annual appropriation of the Department was not exceeded. As indicated in **Figure 7**, monthly financial information from mandated agencies was not being received. As a result, the status reports were not regularly prepared by the Department.
- Department staff advised that only limited analysis of financial information received was conducted on a regular basis. Typically this analysis focused on verifying that provincial funding provided to the mandated agencies had been reported correctly, and on identifying the surplus or deficit position of the mandated agency. This was done to provide Department management with the financial status of the mandated agencies.
- Department staff further advised that more focused financial analyses was performed only when mandated agencies brought concerns to their attention regarding their financial position.

Analysis of Statistical Information

- Monthly mandated agency statistical reports generated by CFSIS were:
  - Child in Care, by Agency;
  - Child in Care by Placement Category, Age and Gender;
  - Case Movement of Children – Child in Care;
  - Child in Care by Legal Status, Age, and Gender;
  - Child in Care by Legal Status, Placement Category, Aboriginal Status;
  - Child in Care by Aboriginal Status, Age and Gender;
  - Child in Care by Legal Status, Placement Category, and Gender;
  - Children in Care Annual Review Report;
  - Children in Care Legal Status Expiry Date Report;
  - Children in Care Exception Report;
  - Expectant Parent Services Case Movement;
  - Expectant Parents by Agency;

- Voluntary Family Services Statistics;
- Case Movement of Protection;
- Case Movement, Children in Protection;
- Case Movement, Pending to Closed Case Status;
- Foster Home Statistics;
- Current Facility Information;
- Facility Occupancy;
- Facility Utilization History;
- Placement Monitoring Report;
- Place of Safety Facility Occupancy Report; and
- Foster Home Space Utilization by Agency.

- We were unable to locate any guidelines on how the Department was to review and analyze mandated agency statistical information. Statistical information was not used by the Department to guide mandated agencies in setting service priorities and budget allocations or in identifying weaknesses in the operational performance (i.e. compliance with standards, efficiency, caseload) of mandated agencies.
- For example, it was noted in the Department's 2003/04 Annual Report that 10 mandated agencies did not report the number of their child abuse investigations.

3.4 CHILD CARE STANDARDS WERE REGULARLY REVIEWED AND UPDATED BY THE DEPARTMENT. HOWEVER, TWO OF FOUR MANDATED AGENCIES REVIEWED BY THE OAG, WERE UTILIZING OUT-OF-DATE CASE MANAGEMENT STANDARDS.

Observations

- Standards for program services were documented in the Child and Family Services Policies and Procedures Manual (March 1996), the Case Management Standards Manual (July 2001), and the Program Standards Manual (Fall 1999).
- Two mandated agencies visited by the OAG were using out-of-date case management standards. Until mentioned by the OAG, one mandated agency was unaware that the case management standards had been updated. New case management standards placed more of a focus on higher risk situations for children. Older standards did not differentiate between high and low risk cases. An effective quality assurance process in the Department as noted in Section 3.5, may have detected that out-of-date case management standards were being used.
- As of March 31, 2004, an individual was on contract to update standards and procedures to reflect the creation of CFS Authorities and the Department's modified oversight role.

3.5 THE DEPARTMENT DID NOT HAVE AN EFFECTIVE QA REVIEW PROGRAM.

Observations

- The following sections of *The CFS Act* provided the authority and responsibility for the conduct of QA reviews of mandated agencies:

  As per Section 4(1) of *The CFS Act*, which defines the duties of the Director of the CFS, the Director shall:

  (d) ensure the development and establishment of standards of services and practices and procedures to be followed where services are provided to children and families;

  (e) ensure that agencies are providing the standard of services and are following the procedures and practices established pursuant to clause (d) and by the provisions of this Act and the regulations.

- The Department had a *Quality Assurance Manual* that provided guidance in the conduct of QA reviews. This material contained data collection forms; interview questions for mandated agency board members, the Executive Director, supervisors, and staff, along with the local child care committee, child abuse committee members and community members; and interview questions for the child's worker, foster parent(s), and foster family support worker in the foster program.

- Since 1994, QA reviews consisted mostly of reviews of three separate service areas; Child in Care Services, Child Protection Services, and Foster Homes Services. These reviews were conducted either separately, or together as a Multi-Program Review.

- The *Quality Assurance Manual* was not updated for program and service standards manual changes that occurred in 1999 and 2001. As a result, QA reviews that were conducted between January 2000 and October 2001 referenced the 1988 standards, instead of the revised standards.

- The objectives for each type of review took the following form:

  - To determine the degree of compliance with key program standards in the service area;
  - To examine the files within a given context of standards related to the areas of case management, case supervision and case documentation; and
  - To analyze key service area data, develop recommendations and determine an action plan for the mandated agency.

- The Department did not have a standard in place for how frequently QA reviews should be conducted on each mandated agency. In addition, annual plans were not in place which would have detailed which agencies would be subject to a QA review.

- The OAG obtained a listing of completed QA reviews from the Department for QA reviews conducted in all mandated agencies and

regional offices over the last 10 year period, as highlighted in **Appendix J**.

- As at March 31, 2004, QA reviews for individual mandated agencies or regional offices had not been performed from between 2.5 years and 11.2 years. On average, the length of time between the last QA review and March 31, 2004 was 5.5 years. No QA reviews had been conducted since April 2001.
- Some specifics of QA reviews done by type are highlighted in **Figure 8**:
  - Between 1994 and 2001, the Department did not conduct Multi-Program Reviews on eight mandated agencies and four regional offices. We noted, however, that for two of these mandated agencies, Multi-Program Reviews were performed on individual sub-offices. We expected that each mandated agency in its entirety would be subject to a Multi Program Review, or each of the three component reviews, at least once in a ten-year span; and
  - For the eight mandated agencies and four regional offices that were not subject to agency-wide Multi-Program Reviews:
    - four mandated agencies and two regional offices had not been subject to any QA component review (excluding three sub-office reviews);
    - only two mandated agencies had undergone a review of Foster Homes Services;
    - only three mandated agencies and two regional offices had undergone a review of Child Protection Services (excluding two sub-offices reviews); and
    - only two mandated agencies had undergone a review of Child in Care Services (excluding three sub-office reviews).

FIGURE 8

Number of QA Reviews Done by Type

	2000/01	1998/99	1996/97	1994/95
Review of Child in Care Services	3	2	-	2
Review of Child Protection Services	3	4	3	-
Review of Foster Homes	2	1	-	1
Multi-Program Review	1	7	2	1

Source: Compiled by Office of the Auditor General from information received from the Department.

- In our audit of four mandated agencies as highlighted in **Section 5.0**, we noted the following mandated agency issues that may have been resolved had effective QA reviews been performed:
  - Two mandated agencies reviewed were using out of date child care standards;

- Active foster homes were allowed to operate with expired licenses;
- Child care plans were not consistently documented, reviewed and updated;
- Quarterly supervisory reviews were not always documented to evidence that they were performed; and
- Billings for the fee for service component of the special needs rate included items (respite, therapy, travel, etc.) that were required to be billed separately.

- In reviewing the departmental billing process (**Section 4.4**), we noted that the CFS Division was not assessing the appropriateness of the Special Needs Committee (SNC) rates for each child in care, nor did the existing QA reviews include this assessment. An effective QA process would include a review of the appropriateness of rates.
- We reviewed seven CFS Division QA review reports and noted that the process for selecting the sample of cases on which each QA review report's conclusions was based, was not documented. As a result, the CFS Division had no assurance that the conclusion reached by the QA reviewers was based on an appropriate sample.
- CFS Authorities were provided with the manual titled *Agency Relations - Roles, Functions, and Responsibilities*, which contained guidelines for QA reviews. However, the QA review material was not subsequently updated and contained certain old child care standards.

3.6 QA RECOMMENDATIONS WERE NOT FOLLOWED-UP. RECOMMENDATIONS FOCUSED ON IMPROVING FUTURE PROCESSES VERSUS CORRECTING PROBLEMS IDENTIFIED.

Observations

- We reviewed seven Department QA review reports issued between October 1998 and September 2001.
- We noted that recommendations tended to focus on future process improvements, and did not include correcting the existing problems noted in the files reviewed.
- Documented departmental follow-up reviews were not on file for the seven QA review reports. Department staff advised that, generally, follow-up visits would occur six months after reports were issued, and that the procedures conducted and the progress made by the mandated agency in implementing the recommendations would not be documented. This informal follow-up process provided the Department with limited assurance that identified deficiencies were being appropriately addressed.

3.7 CFSIS WAS NOT ACCURATE OR COMPLETE.

Observations

- Under *The CFS Act*, the Director of CFS was, and remains, responsible for all children in care.
- CFSIS was developed by the Department as a case management system to be used by mandated agency workers, supervisors, and administrative staff for case recording, and for managing the provision of services to children and their families (including foster home placements), and as such, to provide the Director of CFS with province-wide information on child and family service cases. However some mandated agencies were using a different case management system. In these instances, the mandated agencies remained responsible for either updating CFSIS accurately, or for providing the pertinent information to the Department who would then input the information. Accurately updating CFSIS in a timely manner is important to ensure that reliable, provincial information is available for centralized child care system planning, resource coordination, and performance analysis.
- The Agency Relations Manual states the following regarding the importance of capturing complete and accurate data in CFSIS:

  "In order to understand service themes, trends, and demands, it is essential to document the nature, range and scope of services being provided. With such data, agencies can better plan for delivery of services, Authorities can more effectively guide agencies in setting service priorities and budgetary allocations, and the province can more readily develop policies and regulations that are responsive to the needs of children and families."

Children in Care Information

- Of the four mandated agencies examined, the WCFS and Agency A used CFSIS as their case management system.
- Agencies B and C used a different case management system, and therefore their information needed to be transferred from their case management system into CFSIS.
  - Agency C entered their information directly into CFSIS.
  - Agency B forwarded their information to the Department for input. We are aware of six other agencies that did not use CFSIS. For these mandated agencies, the CFS Division had specific monthly and annual statistical reporting requirements.
  - We noted that for the fiscal year ending March 31, 2004, the annual statistics reports had not been provided by six of these seven mandated agencies and that 27 of 84 monthly statistics reports required by the seven mandated agencies had also not been provided. Not providing statistical information in a timely manner would mean that CFSIS information could not be updated in a timely manner.

- Electronic interfaces were not available between these mandated agency case management systems and CFSIS.

- We noted that Agencies B and C were not ensuring the information entered in CFSIS reconciled to their own internal systems.

- During our review of Agencies B and C, we identified instances where the number of children in care in CFSIS did not match the mandated agencies' internal records:

  - For the year ending March 31, 2003, Agency B's records indicated that they handled six children less than that recorded in CFSIS. For the same year, Agency C's records indicated that they handled 11 children less than that recorded in CFSIS; and

  - For the year ended March 31, 2004, Agency B's records indicated that they handled three children more than that recorded in CFSIS. For the same year, Agency C's records indicated that they handled six children less than that recorded in CFSIS.

- On March 31, 2004, Agency B's case management system identified 136 federal children and 59 provincial children in care. CFSIS reported 34 federal children and 158 provincial children in care for that mandated agency. Agency B's March 2004 child maintenance billing included 44 children. The significant difference between this number and the number of provincial children recorded in CFSIS indicated that CFSIS was not up to date regarding the jurisdictional status of many children.

- From our review of mandated agencies' billings for March 2004, we found:

  - 20 (Agency B – 12; Agency C – 8) instances where children in care were not recorded in the appropriate mandated agency in CFSIS;

  - One instance (Agency B) where a child in care included on the billing was not recorded in CFSIS at all; and

  - Six instances (Agency B) where a child in care included on the billing was listed as inactive in CFSIS.

- While few in total, a system that does not include regular reconciliation of differences between an mandated agency's information and CFSIS information creates a possibility that the Director of CFS will not be aware of a child in care, and may not have timely access to that information if needed.

- The impact of an inaccurate and incomplete CFSIS was referenced in the *"Detailed Implementation Plan for the Development of an Emergency and Short-Term Care (ESTC) System"* prepared in June 2005 by a Ministerial advisory committee (referred to as the Shelter Review Implementation Committee). This committee indicated:

  > *"The research found that, for a wide range of reasons, information was not entered into CFSIS for a quarter of all children in care at the time of the review. The most significant finding from the review was*

that more consistent use of CFSIS would be required if it is to be used to provide meaningful data for planning purposes."

Foster Home Information

- In conducting our work on foster homes, we identified instances where the information in CFSIS for each of the four mandated agencies examined, had not been updated.
- According to CFSIS, as of March 31, 2004, 574 of the 1,867 (31%) foster homes in Manitoba (for all mandated agencies) had expired licenses. From the 574 homes with expired licenses identified in CFSIS, we selected 30 licenses at each of Agencies B and C and the WCFS, and 26 licenses at Agency A. We found that for our sample of 116 licenses, 34 licenses had been renewed, but CFSIS had not been updated.
- From this work, we explored the possibility that CFSIS was not being updated for newly licensed foster homes. We reviewed for this possibility at Agency B, where we noted that their records identified 47 active foster homes that had not been recorded in CFSIS.

3.8 THERE WERE INADEQUATE PROCESSES TO ENSURE THE VALIDITY AND ACCURACY OF MANDATED AGENCY CHILD MAINTENANCE BILLINGS.

Observations

CFS Division Billing Information Requires Some Modification

No Written Instructions for Billing Forms

- In 1992/93, a form for preparing child maintenance billings was developed by the CFS Division. The form required that expenditures be presented by category and level of child as highlighted in **Appendix H**.
- No written instructions were developed by the CFS Division to help mandated agencies appropriately complete the form. However, Division staff advised that training was provided to all mandated agencies on how to appropriately complete the form, and that training continued to be provided to new mandated agency staff.

Billing Form Deficient For Special Needs Amounts

- For special needs billings, the mandated agencies were only required to provide their calculated special needs fee per child and not the Special Needs Committee (SNC) approved fee-for-service rate per day for each child.

CFS Division reviews of mandated agency billings provided assurance that the billing calculations were accurate based on information received. However, the CFS Division did not verify that mandated agency billings were based on approved rates for valid provincial children in care.

- CFS Division staff advised that their reviews of mandated agency billings focused on:

- Recalculating the basic maintenance amount using the approved provincial rates;
- Requesting and reviewing supporting documentation only when specific amounts billed for a child within the special needs categories exceeded $1,000;
- Recounting the number of days care for each child based on the service-start and service-end dates included on the billing form; and
- Comparing monthly review billings to identify new children. If new children were identified, the CFS Division would request residency statements from the mandated agency. Residency statements disclosed personal information on the child, the parents and guardians if applicable. They were not used to add new foster children into the CFSIS system.

- Based on our review of four mandated agencies, we confirmed that CFS Division staff were performing the above tasks. However, the CFS Division did not ensure approved SNC rates were being used by mandated agencies, or that the approved rates were appropriate. As such, there was a possibility that inappropriate rates were used by a mandated agency when preparing their monthly billings, and that the CFS Division paid higher rates than necessary.
- As of March 31, 2004, the CFS Division had been paying the amounts billed for "Specialized Foster Parents" without requiring that they be approved by the Department's senior management, or the Exceptional Circumstances Committee as per Department policy.

The CFS Division Did Not Ensure Children On Mandated Agency Billings Were Recorded In CFSIS For That Mandated Agency

- The CFSIS was developed by the Department as a case-management system to be used by mandated agency workers, supervisors, and administrative staff for case recording and for monitoring the provision of services to children and their families.
- Based on our review of four mandated agencies, we found that the CFS Division's review of mandated agency billings did not verify that the children listed on billings were valid by ensuring they were reported in CFSIS for that mandated agency.
- In **Section 3.8** we highlighted a number of instances where the information in CFSIS was not complete or accurate. A Divisional check of mandated agency billings to the information in CFSIS would have detected the errors in CFSIS, and ensured timely correction.
- We noted that CFSIS did not include a unique identifier for a child in care such as the Personal Health Identification Number (PHIN) in health. The use of a unique identifier would help ensure each child is registered only once in CFSIS, and help ensure continuity of the child care history. Currently, when a child enters the system, the CFSIS only enables a search by name.

3.9 CHIEF MEDICAL EXAMINER RECOMMENDATIONS DEALING WITH THE FAILURE TO COMPLY WITH PROVINCIAL STANDARDS DID NOT ALWAYS RESULT IN A QA REVIEW BEING CONDUCTED. CFS DID NOT DOCUMENT THEIR ASSESSMENT OF THE SEVERITY OF THOSE RECOMMENDATIONS AND CONCLUDE WHETHER OR NOT A SYSTEMIC REVIEW WAS NEEDED.

Observations

- As at March 31, 2004, Section 182 of the Department's *Program Standards Manual* required that the death or serious injury of a child in care be reported to the Director of CFS and specified the information to be submitted. *The CFSA Act*, which came into effect November 2003, requires that mandated agencies submit their death or serious injury reports to their CFS Authority, who then submits the report to the Director of CFS.

- The Chief Medical Examiner (CME) under *The Fatalities Inquiries Act* investigates all child deaths. The CME's report and recommendations are provided to the CFS Director who forwards these reports to the CFS Authority for responses to the recommendations, including the actions taken by the mandated agency, to resolve the issue.

- Prior to *The CFSA Act* coming into force, the *Program Standards Manual* stated that the Director of CFS could conduct a special investigation. CFS Division staff advised that such investigations would have typically taken the form of a QA review. The investigation team would submit its report to the Minister, the Director of CFS and the Board of Directors for the mandated agency. CFS division policy required that the Board of Directors at the mandated agency review the report and, following consultation with the Director of CFS, implement the appropriate recommendations.

- Subsequent to *The CFSA Act* coming into force, the power and duty to conduct a QA review of a mandated agency now resides with the CFS Authorities under Section 18. The Director of CFS must now request the QA review from the CFS Authority.

- The CFS Division keeps a log of all deaths of children in care, as well as the required reports. The log identifies:

    - The date of death;
    - The manner of death;
    - The date of the CME report as well as the number of recommendations and who they were directed to (Department, CFS Authority, mandated agency);
    - The expected date of response to the Department and which CFS Authority is responsible for responding to the recommendations; and
    - The date the file was closed.

- Files on the death of a child were considered "open" until the CFS Division was satisfied that the recommendations of the CME had been addressed. At this time, the file was closed.
- For the year ending March 31, 2004, the Director of CFS received notification of 37 deaths and 2 serious injuries. We followed up on these files and found that as at March 31, 2006, 19 of these files were closed and 20 remained open.
- We reviewed the 19 closed files. Reports from the CME were included in each file for child deaths as well as the response from the mandated agency or CFS Authority. CFS Division staff advised that if the reported actions were not considered sufficient, the CFS Division would, prior to closing the file, request that further actions be taken by the mandated agency or a QA review be conducted by the CFS Authority.
  - In 18 files, the CFS Division was satisfied with the actions taken by the mandated agencies in response to the CME recommendations.
  - In one file, the Director of CFS requested and obtained a QA Review from the CFS Authority.
- We reviewed 16 of the 20 open files. We noted that in six of these files, the recommendations from the CME indicated that the mandated agencies were not maintaining their files up to provincial standards. The CFS Division was not satisfied that sufficient actions had been taken to address the CME recommendations but had not yet requested a QA review. The failure to comply with provincial standards, and the lack of sufficient and timely actions by the mandated agencies highlight the possible need for a QA review.

3.10 THE CHILD ABUSE REGISTRY WAS NOT NOTIFIED OF CONVICTED CHILD ABUSE OFFENDERS IN A TIMELY MANNER.

Observations

- Section 19.1 of *The CFS Act* states that, *"the director shall establish and maintain a child abuse registry"*.
- In the Annual Report for the year ending March 31, 2005 of the Children's Advocate, it was noted:
  - No one who is concerned with the protection of children would argue that a provincial registry is not important or necessary. To ensure the protection of children and youth across Manitoba, Justice and child welfare authorities should track these individuals. The registry is but one tool in the accomplishment of this goal. Information pertaining to offenders must be immediately accessible not only to Justice and child welfare authorities but to community agencies that employ, either

through paid or volunteer work, individuals to care for or provide services to children and youth. The current registry allows for such information to be shared with these individuals.

- The registry contains names of individuals, who are placed on the registry under three distinct categories as they have been either,
  - Found guilty in a court of law of child abuse offences (Category A);
  - Or who have been found by a Family Court to have abused a child and thereby caused a child to be in need of protection (Category B); and
  - Or who are believed by a child abuse committee to have abused a child (Category C).

- The CFS Act requires the reporting of child abusers under the above noted categories A and B as follows:
  - Section 19(6) of The CFS Act states *"Where a person, in a court in Manitoba, is found guilty of, or pleads guilty to, an offence involving abuse of a child, or is found in a proceeding under this Act to have abused a child, the court shall report the name of the person, the circumstances of the abuse and, if applicable, the particulars of the offence and any sentence imposed to the director for entry in the registry".*
  - Section 19(7) of *The CFS Act* states *"If a peace officer, in the course of conducting an investigation or carrying out other duties, obtains information that a person present, or likely to be present, in Manitoba, was found guilty or, or pleaded guilty to, an offence involving abuse of a child*
    (a) In a court outside Manitoba; or
    (b) in a court in Manitoba prior to coming into force of this subsection;
  - *The peace officer shall report to the director the name of the person and the details of the offence for entry in the registry maintained under 19.1".*

- The reporting by mandated agencies of suspected child abusers under the above noted category C is required under Section 19(3.4) of *The CFS Act* that states *"...the agency shall report the name of the person and the circumstances of the abuse to the director for entry in the registry".* Sections 19(3) to 19(3.9) also outline the process to be followed by a mandated agency in identifying a suspected abuser, in notifying the suspected abuser, and in allowing the suspected abuser to appeal.

- The Registrar for the Child-Abuse Registry advised us that the parties responsible for providing information on convicted child abusers (Categories A and B) did not always provide this information. The Department advised that, they had identified this issue and were in the process of reviewing certain cases to determine if registry should have occurred.

- We noted that the CFS Division had sent letters in 2003 to the Courts Division; Public Prosecutions Branch; and Peace officers, Police and Probation reminding them of their responsibility to notify the Child Abuse Registrar of anyone who should be registered.

3.11 THE DEPARTMENT COMMITTED TO IMPLEMENTING THE MARCH 31, 2004 RECOMMENDATIONS FROM THE OFFICE OF THE CHILDREN'S ADVOCATE REGARDING THE EMERGENCY SHELTER SYSTEM. A PROGRESS REPORT WAS PUBLICLY RELEASED IN FEBRUARY 2005.

Observations

- In March 2004, the Children's Advocate issued her report on the WCFS titled, *Emergency Assessment Placement Department (EAPD) Shelter System*. The report highlighted many issues regarding the emergency shelter system including: the lack of program planning; inadequate program standards, budgeting practices, and Departmental monitoring; and inconsistent quality of care. **Figure 9** contains excerpts from the Executive Summary of the Children's Advocate report. The report included 78 recommendations.

- In its April 2004 response, the Department stated the following:

  "The findings and recommendations provide a blueprint for developing an emergency care system that has a clear direction and purpose within the broader context of all services intended to enhance the well-being of children. Along with a future-oriented blueprint, the report contains many practical recommendations that could have a more immediate impact on the quality of care being provided in the shelter system.

  In response to the Advocate's report, Manitoba Family Services and Housing has developed a comprehensive action plan with four fundamental components:

  1. *Act immediately to create new emergency foster care resources specifically designed for children under age eight.*
  2. *Immediately establish an Implementation Committee to address the Advocate's recommendations for future planning, system design and longer-term resource development.*
  3. *Implement recommendations that will immediately have a positive impact on improving the quality of care in the shelter system.*
  4. *Implement recommendations that will immediately strengthen the system oversight capacity.*

  The Assistant Deputy Minister of Child and Family Services, and the Assistant Deputy Minister of Community Service Delivery will share overall responsibility for ensuring the four action plan strategies are

implemented as intended and results achieved within expected timelines."

- In February 2005, the Department released a progress report on the implementation status of the recommendations from the Children's Advocate's report. The report summarized the progress made and identified future actions to address the recommendations of the Children's Advocate report.

FIGURE 9

Excerpts from the March 2004 Report of the Office of the Children's Advocate Emergency Assessment Placement Department (EAPD) Shelter System

Program Planning
"There appeared to be no consistent vision and coordination of resource development across the province. Resources were often built in response to a crisis.

"Due to a lack of qualified foster care providers, the original model shifted from a foster care model to a quasi-foster caregiver model and finally to a permanent shift staff residential mode.....In the end the program did not develop or articulate a program model that defined its goals, objectives, resources, program activities and/or outcomes."

Program Standards
"The current emergency shelter care standards do not address the uniqueness of emergency shelter care. As well, licensing standards and regulations are intended to operate as minimal guidelines. The quality of care is left entirely to the discretion of the facility operator. There is no ability for the DFSH [the Department] to ensure that the facilities exceed minimal standards."

Departmental Monitoring
"The DFSH is also responsible to monitor care and investigate any allegations of child abuse made against staff. Currently the DFSH has insufficient staffing to ensure this responsibility is adequately carried out."

Program Budgeting
"The review found no valid process to determine the monthly allotments or realistic EAPD budget; at times, budgeting was based on unrealistic assumptions (reductions of days in care) leaving the agency with little ability to effectively analyze or reasonably project costs."

Quality of Care
"Many shelters showed attempts were being made to provide a home-like environment. Overall, however, the provision of a home like environment was inconsistent.....Our inspectors did confirm that the EAPD has rented homes with no way to monitor slow or negligent landlords".

"Overall, WCFS had difficulty identifying the population served by the shelter system."

"No program model has been developed for the EAPD shelter system. ....The home Manual, which provided some definition of care, has not been kept up to date. The review found that many shelter employees consider the manual to be just guidelines rather that rules and regulations. This attitude....allowed for the inconsistency of care across and between the shelters."

"High needs children and youth are often placed in the shelters given the lack of other community resources to care for them. Shelter staff, though well intentioned, appeared ill equipped and or supported to meet these needs."

"School attendance for children in the shelters is inconsistent at best. Shelter staff reported that almost one third of children entering EAPD do not attend school after admission."

"Staff stated that discharge planning was the most uncoordinated component within the EAPD system."

4.0 Funding Models

We reached the following overall conclusion in relation to the funding model audit objective and criteria:

Audit Objective and Criteria	Conclusions
To determine whether the mandated agency funding model for children in care was appropriate to ensure fair and equitable funding levels were provided consistent with the expected quantity and quality of services.	Because of the lack of information on the logic supporting the funding models' calculations we were unable to conclude on whether mandated agency funding models were appropriate, or resulted in sufficient funding to ensure that the expected quantity and quality of services could be consistently delivered. The lack of logical support for the funding models' creates a situation where funding levels could be susceptible to criticism.
The following criteria were reviewed:	Our conclusion was based on the following:
4.1 Funding models should be based on documented rationale that is clear, and supported by valid assumptions.	• **Funding models were not adequately documented** - There was a lack of support to assess whether funding assumptions were reasonable, and in certain cases, whether funding calculations, were valid.
4.2 Funding models should be reviewed and updated periodically.	• **Funding models were not reviewed and updated on a periodic basis** - CFS Division staff advised that the calculation for each type of mandated agency had not been amended since it was originally developed, approximately 15 years ago.
4.3 Funding methodology should be clearly communicated to the mandated agencies.	• **There was inadequate communication to mandated agencies of how mandated agency funding was determined** - Four mandated agencies reviewed indicated that they did not know how their funding was determined.

4.1 FUNDING MODELS WERE NOT ADEQUATELY DOCUMENTED, AND THERE WAS A LACK OF SUPPORT TO ASSESS WHETHER FUNDING ASSUMPTIONS WERE REASONABLE AND IN CERTAIN CASES, WHETHER FUNDING CALCULATIONS WERE VALID.

Observations

Lack of Documentation to Support Funding Assumptions

- The following categories of mandated agencies received funding from the province in the forms of a Central Support/Program Grant, a Child Maintenance Allocation, and minor other funds:
  - First-Nation agencies;
  - Non-First Nation agencies;
  - WCFS; and
  - Regional offices.
- The Department annually communicated the nature of funding for the upcoming year to each of the mandated agencies through a funding letter.
- The Department's *Policy and Procedures Manual* did not include documentation of the methodology for determining mandated agency funding.
- CFS Division staff could not explain how the funding models were developed, and how they linked to service standard expectations. Staff believed that appropriate studies were conducted to support the development of the funding models approximately 15 years ago, but were unable to locate the studies. As a result we were unable to determine whether these assumptions continued to be valid, fair and equitable. For example, two assumptions that were being used, where we could not find any documented support were as follows:
  - In determining the of number direct service workers to be funded, the funding models assumed a direct service worker would handle 7,228 days of care per year. It was not clear to what extent the activity level of 7,228 days of care per year assumed that the direct service worker will perform other family services. As such, if the service delivery philosophy shifted increasingly toward preventive family services, the service level assumption in the funding model would become increasingly disconnected from actual practice; and
  - The funding models assumed that one supervisor was needed per six direct care workers, and one clerical staff was needed per four direct service workers.

Department Unable to Provide Reasons for Differences in Funding Calculations for the Year Ending March 31, 2003 for Each Mandated Agency Type

- **Figures 10** and **11** outline the differences in the Central Support/ Program Grant funding provided to each type of mandated agency on an annual basis, using the year ending March 31, 2003 as an example.

FIGURE 10

Central Support/Program Grant
Provincial Funding Formula Component Comparison
For the Year Ending March 31, 2003

	First Nation Mandated Agencies	Non-First Nation Mandated Agencies*	WCFS for Comparison Purposes to Other Mandated Agencies**
FIXED AMOUNTS			
Amount for Director and Secretary Positions	$0.0	$106,400 (2 positions)	$1,155,800 (16 positions)
Accounting Section Salaries	$0.0	$116,000 (3 positions)	$380,000 (11 positions)
Audit Expenses	N/A	$7,700 per agency	$0.0
Board Training	$0.0	$8,500 per agency	$0.0
VARIABLE AMOUNTS			
Payroll Tax - Based on Total Salaries	2.25%	2.25%	2.25%
Employee Benefits - Based on Total Salaries	8.70%	11.50%	13.40%
Audit - Based on the Funding to Support the Direct Service Worker	1.50%	N/A	N/A
PER DAYS IN CARE AMOUNTS			
Salaries - Rate per Day of Care	$7.19	$9.44	$7.19
Foster Parent Education	$0.50	$0.31	$0.00
PER FUNDED EMPLOYEE			
Travel	$5,000	$3,400	$2,016
Office Operations	$2,410	$2,375	$3,485
Office/Building Maintenance	$1,939	$1,806	$3,443
Professional Fees	$1,332	$1,360	$2,059
Other	$714	$727	$2,592

Source: Prepared by the Office of the Auditor General from the Agency Funding Letter Calculations for the year ended March 31, 2003.

* The Jewish Child and Family Services and the Churchill Child and Family Services were uniquely funded due to their small size.

** WCFS is funded annually based on the prior year's budget, plus deficit funding for the prior year. As well, a salary percentage increase is provided based on a collective agreement. For the purposes of this chart, the WCFS amounts were allocated to the various categories for comparative purposes.

FIGURE 11

**Central Support/Program Grant
Provincial Funding Formula Component Comparison
For the Year Ending March 31, 2003**

Component	First Nation Mandated Agencies	Non-First Nation Mandated Agencies*	WCFS for Comparison Purposes to Other Mandated Agencies**
Fixed Amount	$0.0	$238,700 plus $7,700 per Agency	$1,536,000
Variable Amounts	10.95% of Total Salaries	13.75% of Total Salaries	15.65% of Total Salaries
Per Days in Care	$7.69	$9.75	$25.02
Per Funded Employee	$11,400	$9,700	$12,600
Types of Funded Employees	Direct Service Workers, Supervisors, and Clerical	Direct Service Workers, Supervisors, and Clerical, Executive Director, Executive Director Secretary, Admin/Finance Coordinator, Accounting Clerks	Direct Service Workers, Supervisors, and Clerical, 16 Management Positions, Program Specialists, Accounting Clerks
Basis of Per Days in Care Funding Component	Funding is provided based on estimated days of care. 7,228 days equate to one direct service worker.	Funding is provided based on estimated days of care. 7,228 days equate to one direct service worker.	OAG could not obtain a confirmed basis for funding. For comparison purposes, OAG recalculated amounts from actual funding provided.
Off-Reserve Services	Unique to each agency ranging from .2 of a direct service worker to 1 full direct service worker based on the universal cost of the direct service worker calculation. - Approx. $73,900 South of 53rd. - Approx. $77,600 North of 53rd.	N/A	N/A
Protective Family Services	$3.97 per day of care	N/A	N/A
Special Purpose Grants	Individual mandated agency proposal detailing the nature of the project. Subsequent to Departmental review and approval, submitted to Treasury Board for review and approval.	Individual mandated agency proposal detailing the nature of the project. Subsequent to Departmental review and approval, submitted to Treasury Board for review and approval.	Individual mandated agency proposal detailing the nature of the project. Subsequent to Departmental review and approval, submitted to Treasury Board for review and approval.

Source: Prepared by the Office of the Auditor General from the Agency Funding Letter Calculations for the year ended March 31, 2003.

* The Jewish Child and Family Services and the Churchill Child and Family Services were uniquely funded due to their small size.

** WCFS is funded annually based on the prior year's budget, plus deficit funding for the prior year. As well, a salary percentage increase is provided based on a collective agreement. For the purposes of this chart, the WCFS amounts were allocated to the various categories for comparative purposes.

- **Figure 12** outlines the difference in the child maintenance allocation provided to each type of mandated agency on an annual basis, using the year ending March 31, 2003 as an example.

FIGURE 12

**Child Maintenance Billing Basis Comparison
(Foster Care, Emergency Placement and Specialized Foster Placements)
For the Year Ending March 31, 2003**

Component	First Nation Mandated Agencies	Non-First Nation Mandated Agencies	WCFS*
FIXED FUNDING			
Maintenance Allocation	$0.0	$0.0	$21,500,000
Exceptional Circumstances	$0.0	$0.0	$21,500,000
Emergency Placement	$0.0	$0.0	$21,500,000
Specialized Foster Placements	$0.0	$0.0	$21,500,000
VARIABLE FUNDING			
Variable Basic Maintenance Allocation	Depending on location and age of child rate ranges from $18.36 to $29.17 (including Northern Food Allowance).	Depending on location and age of child rate ranges from $18.36 to $29.17 (including Northern Food Allowance).	WCFS used fixed funding to allocate basic maintenance. Depending on location and age of child rate ranges from $18.36 to $29.17 (including Northern Food Allowance).
Special Needs Allocation (Care Level 1 - 4)	The Department's budget is based on $11.33 per day of care. Actual costs vary when bills are submitted by mandated agencies reflecting the actual level of care and the actual days in care. A Special Needs Committee within each mandated agency determines the level of care per child and approves the rate to be paid to the foster parent. This, in turn, is the bill back rate to the Province.	The Department's budget is based on $11.33 per day of care. Actual costs vary when bills are submitted by mandated agencies reflecting the actual level of care and the actual days in care. A Special Needs Committee within each mandated agency determines the level of care per child and approves the rate to be paid to the foster parent. This, in turn, is the bill back rate to the Province.	WCFS used fixed funding to allocate special needs funds. A Special Needs Committee within each mandated agency determines the level of care per child and approves the rate to be paid to the foster parent. This, in turn, is the bill back rate to the Province.
Exceptional Circumstances Fund (Care Level 5)	Children classified as Level 5 are not included in the Allocation Funding Letter. The Exceptional Circumstances Fund Committee of the Department determines and approves the funding rate for each of these children on a case by case basis.	Children classified as Level 5 are not included in the Allocation Funding Letter. The Exceptional Circumstances Fund Committee of the Department determines and approves the funding rate for each of these children on a case by case basis.	WCFS used fixed funding to allocate exceptional circumstances funds. The Exceptional Circumstances Fund Committee of the Department determines and approves the funding rate for each of these children on a case by case basis.

Source: Prepared by the Office of the Auditor General from the Agency Funding Letter Calculations for the year ended March 31, 2003.

* WCFS receives flat funding for child maintenance. Deficits incurred are reimbursed by the Department.

- CFS Division staff was unable to provide explanations for differences in the funding calculations (formulas) used for each type of mandated agency as well as the differences in the base amounts for each component of the calculation (salary, travel, office operations, office/ building maintenance, professional fees and other).
- Some additional differences identified were as follows:
  - The WCFS was funded for salaries at the rate of $25.02 (see **Figures 11 and 12**) per day of care. This compared to $7.19 for First Nations mandated agencies and $9.44 for non-First Nations

mandated agencies. CFS Division staff advised that the difference occurred because only the WCFS received funding for night duty and project fund direct service workers, and for the family preservation unit. CFS Division staff could not explain why these services were not funded province-wide;

- While non-First Nation mandated agencies are funded for audit fees based on a lump sum amount of $7,700, First Nation mandated agencies are funded based on 1.5% of funding provided to support direct service workers. For the two First Nation mandated agencies we reviewed, this amounted to $2,800 and $5,250. The Department could not explain the reasons for the different approach, and whether federal funding arrangements had an impact on the amount funded;
- All mandated agencies initially received $0.50 per day of care for foster parent education. However, of the $0.50 per day, only non-First Nation mandated agencies and the WCFS were required to contribute $0.19 per day of care from the $0.50 per day amount to fund the foster family network, even though the network was available to all foster families from all mandated agencies; and
- For the year ending March 31, 2003, funding for salaries at the WCFS was based on actual negotiated salaries while the other mandated agencies were funded based on predetermined departmental amounts that were not linked to actual salaries paid.

The Department Did Not Ensure Combined Federal/Provincial Funding For First Nation Agencies Was Consistent With the Level of Funding To Mandated Agencies Only Funded By The Province

- With respect to the apportionment between federal and provincial funding responsibility, we noted the following:
  - The First Nation mandated agencies were not funded for executive and administrative costs. Funding was provided for protective family services, children in care central support/program and child maintenance. For example, as shown in **Figure 10**, provincial funding was not provided to First Nation mandated agencies for executive salaries. CFS Division staff advised that the provincial funding model for First Nation mandated agencies assumed that the majority of First Nation children in care were considered to be under federal responsibility. Therefore, it was assumed that federal funding covered executive costs. However, for the two First Nation mandated agencies visited by the OAG, children that were a provincial responsibility as at March 31, 2004, represented approximately 25% of the caseload in one agency, and approximately 30% of the case load in the second mandated agency. It would seem reasonable that this change in federal to provincial children could have resulted in a Department assessment of whether a renegotiation of funding arrangements between the federal and provincial governments was required; and

- For First Nation mandated agencies, CFS Division staff was only privy to information about the nature of federal funding to the extent that this information was included in the mandated agency's audited statements. We note that although the Director of CFS was responsible for all children in care, including children under federal jurisdiction, the CFS Division may not have been ensuring that federal funding was sufficient to meet provincial standards of care for all children under federal jurisdiction. Representatives from the CFS First Nation Authorities expressed concerns regarding the consistency in the level of funding.

4.2 FUNDING MODELS WERE NOT REVIEWED AND UPDATED ON A PERIODIC BASIS.

Observations

- The continuing validity of the funding models was not periodically assessed. CFS Division staff advised that the model for each type of mandated agency had not been amended since it was originally developed approximately 15 years ago. CFS Authorities have indicated that the funding model did not allocate funds specifically for prevention programs.
- However, CFS Division staff advised that the input elements to the approved funding formula were typically updated as approved through the estimates process, to the extent funding was available.
- When on-going project funding is requested by an individual mandated agency, that amount is provided upon provincial approval to that requesting mandated agency. However, there is no review to determine whether the same type of program funding would be applicable to other mandated agencies, and therefore incorporated as part of their future funding.
- For the year ending March 31, 2004, the Department updated some types of funding to address some of the differences between non-First Nation mandated agency funding and First Nation mandated agency funding. Our enquiries indicated the following:
  - Funded salaries for direct service workers, supervisors and clerical were updated for all mandated agencies. Significant increases to salaries were made for First Nation mandated agencies in order to address equity issues previously identified by the Department. Even though this occurred, the funded salary amounts remained slightly different (i.e., Non-First Nation $49,969 vs. First Nation $50,366 for each care worker);
  - The base amounts used for determining total funding for travel, office operations, office/building maintenance and professional fees were not amended for First Nations mandated agencies but were increased to reflect an inflation factor of approximately 1.5%

for the non-First Nations mandated agencies. As a result, the base amount for office operations became identical for First Nation and non-First Nation mandated agencies. However, differences remain for travel, office/building maintenance and professional fees;

- Beginning in the year ending March 31, 2004, First Nation mandated agencies were allowed to retain the Canada Child Tax Benefit for children in care who are a provincial responsibility; and
- Typically a mandated agency's number of days in care would be adjusted annually to reflect a forecast based on the prior year's actual number of days in care. However, the Department decided that for the year ending March 31, 2004, that while the transition of children to the CFS Authorities was taking place, no funding adjustments to the mandated agencies would be made for the number of days care. Funding adjustments were to occur when a case file was transferred to a CFS Authority. Based on the percentage of cases transferred to a CFS Authority, the CFS Authority would receive additional funding and distribute it to the mandated agencies who would oversee these cases. Only 75 child care cases had been transferred to CFS Authorities by March 31, 2004.

4.3 THERE WAS INADEQUATE COMMUNICATION OF HOW MANDATED AGENCY FUNDING WAS DETERMINED.

Observations

- The Department had outlined for mandated agencies, in funding letters, the amounts they were to receive, along with the portion identified for operating costs and for child maintenance for the years ending March 31, 2003 and March 31, 2004. The letters indicated that funding was based on the estimated number of days care. Few other specifics were provided on how funding levels were determined.
- The four mandated agencies we audited did not know the assumptions behind the specifics of the funding model applicable to them. The mandated agencies were unclear as to how adjustments to funded base amounts were determined.

5.0 Mandated Agency Operations

Four mandated agencies, including WCFS, were visited during this audit. Upon completion of the work done at each mandated agency, audit findings were discussed, reviewed, and agreed with by these mandated agencies. These mandated agencies then provided the OAG with their respective action plans.

We reached the following overall conclusion in relation to the mandated agency operations audit objective and criteria:

Audit Objective and Criteria	Conclusions
To determine whether management practices at mandated agencies were sufficient to ensure the needs of children in care were effectively addressed.	We concluded that there were weaknesses in certain management practices at the four mandated agencies reviewed. As such, the weaknesses may have potentially impacted mandated agency effectiveness.
The following criteria were reviewed:	Our conclusion was based on the following observations at four mandated agencies:
5.1 Effective strategic planning processes should be in place.	• **Mandated agency strategic planning activities were limited.**
5.2 Appropriate financial performance monitoring by a mandated agency's board should be in place.	• **Mandated agency board monitoring of financial performance needed strengthening.**
5.3 A standardized needs assessment scoring tool should be in place.	• **Different needs assessment scoring tools were used by mandated agencies** – Mandated agencies used different needs assessment scoring tools for special needs children in care. As a result, similar needs children were funded at different rates.
5.4 Special Needs Committees (SNC) should review special needs maintenance rates for each child in care every six months.	• **SNCs at the four mandated agencies we audited were not reviewing special needs maintenance rates at least every six months as required by the CFS Division** – At the four mandated agencies we examined, each SNC had not reviewed child maintenance needs in the last six months of the period ending March 31, 2004 for 59% of the child care files reviewed by the OAG.

Audit Objective and Criteria	Conclusions
5.5 Child care plans should be updated annually.	• **Child care plans were not consistently updated annually** - 15% of child care plans sampled were not consistently documented, reviewed and updated within the year ended March 31, 2004 and 10% were not found.
5.6 Mandated agency supervisors should conduct quarterly reviews with mandated agency case managers of all open child case files.	• **Quarterly supervisory reviews were not consistently documented to evidence that they were performed on all open child care files** - 79% of the child care files sampled, lacked evidence that supervisory reviews were conducted. At two mandated agencies, standard forms were in place, but were not used.
5.7 Foster homes should be re-licensed on an annual basis.	• **Foster homes were not consistently reviewed and re-licensed annually** - *The CFS Act* requires that foster homes be re-licensed on an annual basis. We examined 49 expired licenses and found that the foster homes had been allowed to operate with expired licenses for a range of one month to six years. Re-licensing foster homes in a timely manner could detect unfavorable changes to an environment in which a child in care has been placed.
5.8 At the time of foster home re-licensing, criminal, medical, child-abuse or prior contact checks should be conducted on foster parents and other adults in contact with foster children.	• **Criminal, medical, child-abuse, or prior contact checks were not updated at the time of foster home re-licensing** - While only a requirement at the initial licensing of a foster home, we believe that a requirement for more frequent checks could increase the safety of children in care.
5.9 Billings to the CFS Division for child maintenance should be accurate and in compliance with approved rates.	• **Mandated agencies were not ensuring that billings to the CFS Division were accurate and reflected SNC and CFS Division approved rates** - Two of the four mandated agencies we audited funded certain foster

Audit Objective and Criteria	Conclusions
5.10 Appropriate administrative practices should be in place.	parents outside of the Department's child maintenance system. • Administrative procedures were satisfactory. In general, administrative procedures at the four mandated agencies were satisfactory. However, there were inconsistencies in how various administrative items were handled.

5.1 MANDATED AGENCY STRATEGIC PLANNING ACTIVITIES WERE LIMITED.

Observations

- We reviewed the planning processes at four mandated agencies. As noted in **Figure 13**, we found that:
  - WCFS did not have a vision and mission statement;
  - Three agencies (Agencies B,C and WCFS) did not have established goals and objectives; and
  - No agencies had established performance measures and related targets.

FIGURE 13

Mandated Agency Planning Processes

Planning Process	Agency A	Agency B	Agency C	WCFS
Vision/Mission	Yes	Yes	Yes	No
Goals	Yes	No	No	No
Objectives by Key Result Area	Yes	No	No	No
Performance Measures	No	No	No	No
Targets	No	No	No	No

Source: Prepared by the Office of the Auditor General.

- Although statistical information such as number of days care incurred and number of children entering and leaving care was provided to the Department by the mandated agencies, none of the mandated agencies we audited were using performance measures (other than budget to actual expenditures) to assess how well they were performing.
- We are aware that Agency C conducted an initial brain-storming, strategic planning exercise. However, a comprehensive strategic planning document was not generated upon completion of this work.

5.2 MANDATED AGENCY BOARD MONITORING OF FINANCIAL PERFORMANCE NEEDED STRENGTHENING.

Observations

- We examined how the boards of Agencies A, B and C monitored their agency's financial performance for the year ended March 31, 2004. We discussed mandated agency expenditure governance with the Chief Executive Officer, Chief Financial Officers, and other staff of each of four mandated agencies.
- The WCFS was considered a mandated agency until responsibility transferred to the Province on April 1, 2003. In preparation for the transfer, an Interim Management Board was appointed by the Department on November 16, 2001 and remained in effect until March 31, 2003. As such, WCFS was not reviewed.
- The Boards at each mandated agency were organized as noted in **Figure 14**.

FIGURE 14

Mandated Agency Board Information

	As at March 31, 2004		
	Agency A	Agency B	Agency C
Number of Board Members	11	11	9
Frequency of Meetings	Monthly except the summer	Monthly except the summer	Quarterly
Board By-laws in Place	Yes	Yes	Yes
Board had Quorum Requirement	Yes	Yes	Yes
Roles and Responsibilities Defined in By-laws	Yes	Yes	Yes
Board Motions Require a Minimum of 50% of the Vote	Yes	Yes	Yes
Minutes Maintained	Yes	Yes	Yes
Committees	Audit/Finance Personnel Community Service Executive Director, Evaluation	Finance	Finance

Source: Prepared by the Office of the Auditor General.

- Based on discussion with the Chief Executive Officers, Chief Financial Officers, and other staff in each mandated agency and through a review of board minutes we determined the following:
  - Agency Boards approved budgets prior to receiving their funding letters from the Department. Department letters were received after the start of the mandated agencies' fiscal year. The Boards for Agencies A and C had approved budgets different from what the Department approved in their funding letter, and the Board did not adjust their approved budgets to reflect the actual Department funding commitment.

- Boards for Agencies B and C were not receiving financial variance reports;
- Boards for Agency A and B were not receiving statistical reports;
- Agencies A, B and C received their audited financial statements;
- Agency A and B received management letters. Agency C received a verbal management report from their external auditor; and
- Agencies B and C did not have a designated Audit Committee.

5.3 DIFFERENT NEEDS ASSESSMENT SCORING TOOLS WERE USED BY MANDATED AGENCIES.

Observations

- The CFS Division's Agency Relations Manual included a tool entitled, *Child Assessment Format*. This was designed as a standard scoring tool for the determination of the special needs daily rate for each child in care.
- Discussions with CFS Division staff indicated that they did not enforce the use of this standard scoring tool, even though the results from using different scoring tools could vary.
- The four mandated agencies we examined each used a different needs assessment scoring tool for determining the special needs daily rate for each child in care. None of the mandated agencies we examined used the CFS Division's Child Assessment Form[at].
- The rate for the "fee for service" component of the special needs rate per day was established by each mandated agency and was not consistent between mandated agencies because mandated agencies used a different scoring system. As such, because there were different scoring tools in place, children in different mandated agencies were funded for special needs at different rates.
- As noted in **Appendix K**, the assessment systems used by each of the four mandated agencies for a maximum needs child, would have resulted in significant differences in the fee for service cost per day ranging from $40 to $58 per day.
- For three of the mandated agencies reviewed, the daily rate for the "fee for service" component that is applied to the total points had not been updated since inception of the points system in 1993. The other mandated agency reviewed increased their daily rate once, in 1996. As a result, the rates had not been adjusted for inflationary impacts.
- The CFS Division was not monitoring the various needs assessment tools in place to ensure that the use of different scoring systems and daily rates resulted in consistent and equitable funding between children with similar special needs.

5.4 SPECIAL NEEDS COMMITTEES (SNC) AT THE FOUR MANDATED AGENCIES WE AUDITED WERE NOT REVIEWING SPECIAL NEEDS MAINTENANCE RATES AT LEAST EVERY SIX MONTHS AS REQUIRED BY THE CFS DIVISION.

Observations

- The four mandated agencies we audited each had a Special Needs Committee (SNC).
- The Department's Agencies Funding Guidelines state that *"special needs funding should be reviewed every six months by the 'panel' or 'committee'."* The objective of conducting a child maintenance review every six months is to determine whether the needs of the child have changed, therefore requiring either increased or decreased funding to the foster parents for providing foster care.
- From our review of 83 randomly selected children in care files at the four mandated agencies that we examined, we found that for 49 files, or 59%, the child's maintenance needs, and therefore rates, had not been reviewed by the applicable mandated agency's SNC in over 6 months (see **Figure 15**). Three additional files did not have documentation indicating whether the rates had been reviewed.

FIGURE 15

SNC Review of Special Needs Children Funding
OAG Sample of Child Care Files Reviewed
For the Year Ending March 31, 2004

	Agency A	Agency B	Agency C	WCFS	Total
Special needs children (Does not include Group Homes, basic maintenance only, emergency and exceptional circumstances.)	23	24	18	18	83
Reviewed in last six months	5	18	4	4	31
Not reviewed within a six month period	16	6	14	13	49
SNC review and approval not on file	2	-	-	1	3

Source: Office of the Auditor General from a Review of Agency Child Care Files.

- Although mandated agency SNCs are required by the Department's Agencies Funding Guidelines to review the special needs rates for children every six months, we found that three of the mandated agencies we reviewed (Agencies A, C and WCFS), were not planning to comply with this requirement. Instead, the rate review forms in the child in care files we reviewed indicated that the subsequent review was scheduled to be conducted annually or bi-annually. The rate review forms in the child in care files that we reviewed at Agency B indicated that reviews were to be conducted every six months.

- The WCFS had not reviewed many of the special needs rates of the children in care in the last six months because the SNC suspended all special needs rate reviews on January 25, 2002, unless the child transferred to another foster home, or received alternative living. This was done by WCFS as a cost cutting measure. In September 2004, WCFS estimated that lifting the freeze on the special needs rate reviews would have cost an additional $500,000 in rate increases. As at August 2006, the rate freeze was still in place.
- The Department's position on the special rate freeze was recently articulated in a letter of November 2004 that stated:

  > *"The freeze of special rates in foster care at Winnipeg, rural, and northern CFS (Winnipeg Regional Office) (WCFS) is an issue that is intimately connected with many other facets of the child and family services system and the Aboriginal justice inquiry – Child Welfare Initiative (AJI-CWI). As such, discussions have been held both at the Standing Committee of AJI-CWI and within the Department of Family Services and Housing. To date, no final decision has been made regarding exactly when or how the freeze will be lifted. It is of some reassurance to note that the freeze has not affected additional services to foster children (e.g. therapy) and it does not affect the ability of WCFS to adjust the amount of respite that a foster family receives."*

- Because we did not assess the quality of care, we were not in a position to determine the impact the special rate freeze may have had on the ability of the CFS Authorities to meet the needs of the children in care.

5.5 CHILD CARE PLANS WERE NOT CONSISTENTLY UPDATED ANNUALLY.

Observations

- We reviewed a sample of 30 randomly selected files of children in care at each of four mandated agencies as highlighted in **Figure 16**. Of the 120 files reviewed, 18 care plans (15%) were not updated within the year ended March 31, 2004 and 13 (10%) could not be located. In particular, for the 30 care plans sampled in Agency A, 17(57%) were either not updated or not found.

FIGURE 16

Sample of Care Plans Reviewed by the OAG Within the Year Ended March 31, 2004

	Agency A	Agency B	Agency C	WCFS	Total
Care Plans updated within the year	13	26	26	25	89 (75%)
Care Plans not updated within the year	9	3	1	4	18 (15%)
Care Plans not found	8	1	3	1	13 (10%)
Total	30	30	30	30	120 (100%)

Source: Office of the Auditor General from a Review of Agency Child Care Files.

- The Department's Case Management Standards in the Agencies Relations Manual require that care plans be prepared to:

  "address the needs and issues of the family and children...Planning also ensures that any risk factors identified in the Assessment are addressed so children are safe and family functioning is strengthened....Plans must be flexible, reviewed regularly and rewritten to recognize successes and changing needs."

- CFS Division staff indicated that while the standards were vague regarding frequency of child care plan update, the CFS Division expected that care plans would be updated at least annually.

5.6 QUARTERLY SUPERVISORY REVIEWS WERE NOT CONSISTENTLY DOCUMENTED TO EVIDENCE THAT THEY WERE PERFORMED ON ALL OPEN CHILD CARE FILES.

Observations

- We reviewed a sample of 30 randomly selected children in care files at each of the four mandated agencies for a total of 120 files, as highlighted in Figure 17. Of the 120 files reviewed, 95 (79%) lacked evidence that supervisory reviews were conducted on a quarterly basis during the year ended March 31, 2004.

FIGURE 17

Supervisory Reviews of the Child Care Plans OAG Sample of Child Care Files Reviewed For the Year Ending March 31, 2004

	Agency A	Agency B	Agency C	WCFS	Total
No documentation found evidencing that any supervisory reviews were conducted	30 (100%)	30 (100%)	23 (77%)	12 (40%)	95 (79%)
Documented supervisory reviews conducted at least once during the year	- (0%)	- (0%)	7 (23%)	18 (60%)	25 (21%)
Total	30 (100%)	30 (100%)	30 (100%)	30 (100%)	120 (100%)

Source: Office of the Auditor General from a Review of Agency Child Care Files.

- Staff at the mandated agencies provided the following comments:
  - Staff at Agencies A and B indicated that supervisory reviews were conducted, but not documented. Of note, is that Agency B had a standard form that was intended to be used for documenting supervisory reviews;
  - Staff at the Agency C indicated that they did not ensure that supervisory reviews were conducted. A standard form was used when reviews were documented; and
  - Staff at WCFS indicated that they had only informal processes in place. No standard form was used, but notes may have been put on file.
- Supervisory reviews, in part, were intended to ensure that the case managers were complying with case management standards for the child in care files assigned to them. This was meant to be a check on whether the needs of children in care were being appropriately addressed.
- The evaluation component of the *Case Management Standards* in the Agencies Relations Manual required that supervisors conduct *"regular quarterly reviews of all open cases"* with the case manager. The supervisor and the case manager were also required to conduct special reviews of any cases where there were significant changes in care. The *Case Management Standards* state that *"reviews are conducted to determine whether standards are being met and services are effective in meeting needs and to support the case manager to work with the family/ children"*.
- Case Management Standards in the *Agencies Relations Manual* required that supervisors *"complete the Review Report within 14 working days from the date of the review"*.
- The *Case Management Standards* provided no direction on what a supervisory review should focus on.

5.7 FOSTER HOMES WERE NOT CONSISTENTLY REVIEWED AND RE-LICENSED ANNUALLY.

Observations

- Under Section 3(5) **Terms of License** of the Foster Home Licensing Regulation of *The Child and Family Services Act*, *"A license issued under this section is valid for a one-year period except that if a licensee transfers to another licensing agency under Section 13.1 before the one-year period expires, the license is valid only until the date the transfer is approved"*. In Section 13(1), Renewal of License, *"The licensing agency shall ensure that, prior to the expiry of the license, a review is conducted of the operation of the foster home to determine if the license should be renewed"*.

- Section 13(2) **Considerations Re-renewal** of the Regulation states, *"When making a decision respecting the renewal of a license under this section, the licensing agency shall consider*
  - *whether the licensee and the foster home are in compliance with the Act, this regulation and any terms and conditions imposed by the licensing agency;*
  - *whether the licensee can protect, nurture and care for children placed in the home and to meet their needs; and*
  - *the grounds under subsection 15(1) that apply to the suspension or cancellation of a license".*

Expired Licenses

- In conducting our mandated agency audits, we noted from mandated agency records that various foster home licenses had expired. We followed up a sample of 49 expired licenses (**Figure 18**) to determine whether the foster home had been re-licensed, or otherwise closed.
- Agency staff confirmed, however, that the 49 expired licenses were, in fact, for active foster homes. These foster homes had been allowed to operate with expired licenses for a range of one month to six years. Eleven of these active foster homes had been reviewed by the mandated agency during the fiscal year ending March 31, 2004, but a renewed license had not been issued as of October 2004. No review had been conducted on the remaining 38 active foster homes.

FIGURE 18

Sample of Expired Foster Home Licences
As at March 31, 2004

	Agency A	Agency B	Agency C	WCFS	Total
Number of active foster homes with expired licences on March 31, 2004	20	4	19	6	49

Source: Office of the Auditor General from a Review of Agency Records.

- Staff at Agency A indicated that foster home re-licensing typically only occurred every two years, even though one-year licenses were issued. Staff indicated that annual re-licensing was not occurring because of limited staff resources. For 20 foster homes in this mandated agency whose licenses were expired as at March 31, 2004, we found that the average length of time since the license expiry date was one year. We note that three foster homes had not been re-licensed for four or more years.
- For Agency B, the four foster home licenses that we reviewed had been expired for a range of 5 months to 2 years.
- Staff at Agency C indicated that they were behind in ensuring that licenses were renewed prior to their expiry date. We noted that for 11 of the licenses, the average length of time since the expiry date was

approximately one year. We further noted that the other eight foster homes had not been licensed for a range of three to six years.

- For WCFS, we noted that for four of the six licenses reviewed, the average length of time since the expiry date was approximately one year. The two other foster homes had not been re-licensed for four and seven years.

Re-licensing Based on Foster Home Reviews

- Foster home reviews were conducted as part of the annual re-licensing process.
- As part of a mandated agency's annual re-licensing of a foster home, a Foster Home Review (Reassessment) would be conducted. The CFS Division developed *Foster Home Review Re-licensing Guidelines* that included the following areas for review:
  - Present occupants (criminal record checks, etc.) and changes since last review;
  - Sleeping arrangements;
  - Condition of the home;
  - Placements since last review;
  - Complaints and incidences since last review, issues identified in last review and how resolved;
  - Family dynamics, strengths and areas for improvement;
  - Respite and babysitting; and
  - Training attended.
- We reviewed a sample of 63 foster homes as shown in **Figure 18** that were re-licensed during either the fiscal years ending March 31, 2003 or March 31, 2004 to confirm that foster home reviews had been performed prior to licensing renewal.
- Foster home reviews were conducted in most cases prior to the licenses being renewed. However, in five cases we noted that licenses had been reissued without a foster home review being performed. Re-licensing foster homes without a review would not detect unfavourable changes, in a timely manner, to an environment in which a child has been placed.

FIGURE 19

**Sample of Renewed Licences
For Fiscal Years 2002/03 and 2003/04**

	Agency A	Agency B	Agency C	WCFS	Total
Re-licenced with the support of a review	19	18	11	10	58
Re-licenced without benefit of a review	-	1	-	4	5
Total Sample	19	19	11	14	63

Source: Office of the Auditor General from a Review of Agency Records.

5.8 CRIMINAL, MEDICAL, CHILD-ABUSE OR PRIOR CONTACT CHECKS WERE NOT REQUIRED AT THE TIME OF RE-LICENSING.

Observations

- Foster home reviews were to be conducted on an annual basis. We did not assess the quality or completeness of the foster home reviews conducted by mandated agencies. However, we conducted a file review to determine whether criminal, medical, child-abuse, or prior contact checks were performed.

The need for a criminal, medical, child-abuse, or prior-contact check is identified in Section 18(1) Criteria for person who works with foster children of The Foster Home Licensing Regulation under *The CFS Act*. It stated, *"The licensing agency shall ensure that any person who, on behalf of an agency or a licensee, works directly with foster children for 10 or more hours per week and who may have unsupervised access to foster children:*

- *is an adult;*
- *is medically, physically and emotionally able to do the required work;*
- *provides character references;*
- *provides a criminal record check dated within three months prior to commencing work with the agency or licensee;*
- *provides a child abuse registry check dated within three months prior to commencing work with the agency or licensee;*
- *consents to the release of information about himself or herself from a prior contact check, obtained in accordance with subsection (1.1); and*
- *consents to the release of information about his or her previous employment and volunteer work".*

- For 114 foster home files reviewed in four mandated agencies, there were 199 active foster parents as at March 31, 2004. The OAG also reviewed 33 shelter employee files.
- As shown in **Figure 20**, we found a significant percentage of checks for 232 people were either not on file, or were over five years old. For a large number of these individuals, we were not able to locate in their files, documented evidence that criminal, medical, child-abuse or prior contact checks were performed. Further, upon follow-up, the mandated agencies were not able to provide the documentation. For many other individuals, when documentation was available, such checks were over five years old.

FIGURE 20

Sample Review of Checks Done on the Foster Parents and Shelter Employees As at March 31, 2004

	Agency A	Agency B	Agency C	WCFS (Foster Homes)	WCFS (Shelter Employees)	Total
Number of Foster Parents	**51**	**45**	**52**	**51**	**33**	**232**
Criminal Record Checks						
Not found in the file	3	6	9	-	1	**19**
Over five years old	23	2	10	6	9	**50**
Total	26 (50%)	8 (18%)	19 (36%)	6 (13%)	10 (30%)	**69 (30%)**
Child Abuse Registry						
Not found in the file	8	5	3	1	-	**17**
Over five years old	20	1	10	16	8	**55**
Total	28 (56%)	6 (13%)	13 (25%)	17 (5034%	8 (24%)	**72 (31%)**
Prior Contact Check						
Not found in the file	26	8	13	21	14	**82**
Over five years old	2	-	-	15	-	**17**
Total	28 (55%)	8 (18%)	13 (25%)	36 (70%)	14 (42%)	**99 (43%)**
Medical Record Check						
Not found in the file	10	14	6	7	32	**69**
Over five years old	18	20	33	30	1	**102**
Total	28 (55%)	34 (76%)	39 (75%)	37 (72%)	33 (100%)	**171 (74%)**

Source: Office of the Auditor General from a Review of Agency Records.

- CFS Division staff advised that criminal record, child abuse registry, prior contact and medical record checks were only required of foster parents when the homes were initially licensed. This was consistent with the regulations in place.
- Section 13(2) of *The Foster Home Licensing Regulation* of *The CFS Act* states that when licenses are renewed consideration should be given to: *"whether the licensee can protect, nurture and care for children placed in the home and to meet their needs"*. Re-checks were not specifically required.
- We believe that re-checks should be done more regularly. We believe the Department should consider periodic updates or should explore other mechanisms to ensure that licensing agencies are informed in a timely way when criminal charges are laid that involve adults or respite workers connected to a licensed foster home.
- Other adults living in the home, along with respite workers, did not require medical checks, but did require criminal record, child abuse registry, and prior contact checks only at the time they began living in the home, or serving as a respite worker.
- WCFS used an annual self-declaration form, The Criminal Record Statement, requiring individuals to sign that they had not been charged

or investigated for any criminal or illegal activities during the past two years, including liquor offences or domestic violence. While a step in the right direction, voluntary declarations are not a substitute for a criminal record check. From our sample of 51 adults from the WCFS, two did not have a copy of The Criminal Record Statement on file. Of the 49 who did, 11 forms were more than two years old. This declaration was not being used by the three other mandated agencies we reviewed.

5.9 MANDATED AGENCIES WERE NOT ENSURING THAT BILLINGS TO THE CFS DIVISION WERE ACCURATE AND REFLECTED SNC AND CFS DIVISION APPROVED RATES.

Observations

- We reviewed a sample of 30 child maintenance billings for the month of March, 2004 for each of four mandated agencies for a total of 120 billings. We noted the following:
  - Special needs rates that were billed to the CFS Division by a mandated agency did not agree with that mandated agency's SNC approved rates on file for 19 of 120 children in care or 16%. Special needs rates will vary by child, and could be adjusted by the SNC on a regular basis to reflect a child's changing needs while the child is in care.
  - In addition, for eight children in care (in two mandated agencies) the special needs rates had not been approved by the mandated agencies' SNC.
  - Foster child care billing rates for 74 children had changed during March 2004. For 15 or 20% of these 74 children with rate changes, all of which resulted in increased funding, the mandated agencies could not provide documentation that their SNCs had approved these rate changes. Twelve or 16% were from WCFS.
  - Two agencies presented their billings to the CFS Division without a separation between fee-for-service and special needs payments to foster parents. An April 24, 2003 Policy Interpretation Bulletin indicated the following:

    "Respite Allocations – There is a small respite allocation in Basic Maintenance and that is intended to be used by foster parents for day to day respite costs (e.g., babysitting). If the child in care has special needs which necessitates extra respite that should be a separate billing item. The basic maintenance respite should be factored into the overall respite plan for the foster parents."
  - Two of the four mandated agencies we audited (WCFS and Agency A) fund certain foster parents outside of Department's child maintenance system. They refer to these foster parents as "Specialized Foster Parents". This category for funding was not

established by the Department. These two mandated agencies paid their "Specialized Foster Parents" a rate of $55 and $57 a day. These rates were set by the mandated agencies and were not approved by the CFS Division. Our understanding is that other mandated agencies had also set their own "Specialized Foster Parent" rate.

- The rationale for the established rates was unclear. However, based on discussions with staff, this category of funding was established to retain valued foster parents.
- Regular foster parents are paid based on a rate determined by the needs of the child, whereas "Specialized Foster Parents" are paid based on a per diem rate, not specifically related to the needs of the child in care.
- The establishment by mandated agencies of the "Specialized Foster Parent" rate may have resulted in inequitable foster parent funding in the system.
- Within the provincial system, rates of $55 to $57 would only have occurred for funding Level 4 (Over Range) or Level 5 children (Exceptional Circumstances). Further, funding for Level 5 children required approval on a case by case basis by the CFS Division's Exceptional Circumstances Committee.
- Mandated agency staff indicated that there had been competition between mandated agencies for Specialized Foster Parents, and rates could have escalated at the expense of the CFS Division. CFS Division staff indicated that regulating the rate for "Specialized Foster Parents" was not being considered.

5.10 IN GENERAL, ADMINISTRATIVE PROCEDURES AT THE FOUR MANDATED AGENCIES REVIEWED WERE SATISFACTORY. HOWEVER, THERE WERE INCONSISTENCIES IN HOW CERTAIN ADMINISTRATIVE ITEMS WERE HANDLED.

Observations

- During the summer and fall of 2004, we visited four mandated agencies and reviewed the following administrative procedures for the years ended March 31, 2003 and 2004 at those mandated agencies:
  - Compliance with *The Public Sector Compensation Disclosure Act*;
  - Appropriate treatment of employee taxable benefits;
  - Appropriateness of employee expense accounts;
  - Appropriateness of privately-owned vehicle reimbursement rates and employee per diems;
  - Employee mileage claims;
  - Existence of Conflict of Interest policies for staff and agency board members;

- Existence of Confidentiality Declarations;
- Appropriate segregation of accounting duties;
- Appropriateness of credit card expenses, legal and insurance expenses, and other expense categories;
- Segregation of provincial and federal revenue and expenditure information;
- Appropriateness of the contract tending and approval processes; and
- Board approved signing authorities.

- In general, those administration procedures at the four mandated agencies were satisfactory. Minor issues that were noted were discussed and reviewed with the mandated agencies visited.
- Other issues noted which may be of interest to other mandated agencies, are highlighted below.

Two Mandated Agencies Did Not Comply With Compensation Disclosure Act.

- *The Public Sector Compensation Disclosure Act* requires disclosure of the names and salaries of employees with remuneration greater than $50,000. This can occur as a note to the audited financial statements or as a stand alone audited schedule.
- For the years ended March 31, 2003 and 2004, two of the four mandated agencies we reviewed (Agency B and C) were not in compliance with the Act. One mandated agency compiled a schedule but did not have it audited, and the other mandated agency only disclosed, as a note to their financial statements, the position titles and salary ranges.

Two Mandated Agencies Were Paying Expenses At Higher Than Provincial Rates.

- The Department's Agencies' Funding Guidelines regarding home visits states, *"Effective January 1, 2004, the maximum amount approved for mileage and food costs will be at the current provincial government rates".*
- As at March 31, 2004, two mandated agencies reviewed were paying more than provincial government rates in effect at that time.

Mileage Claims At WCFS To Transport Children Appeared Excessive

- We identified many instances during the year ending March 31, 2004, in WCFS where transportation was provided to children using drivers that did not reside in relative close proximity to the child. As a result, significant mileage claims were submitted by these drivers. Mandated agencies advised that these drivers were selected because the child liked the individual and was comfortable being in their care.

A Confidentiality Declaration Was Not Signed By All Care Givers

- Subsection 76(3) of *The CFS Act* addresses the confidentiality of records.
- Staff at all four mandated agencies were required to sign a declaration of confidentiality when initially hired.

- Foster parents and other outside workers seldom, if ever, completed the declaration. For a sample of 219 people, only 98 or 45% signed declarations were on file.

Pledge of Confidentiality Regarding Personal Health Information Was Not In Place For Mandated Agencies

- A declaration was developed in October, 2003. The declaration states, *"I understand that as an employee or agent of The Department of Family Services and Housing, Government of Manitoba, all personal health information I may have access to is private and confidential".*
- Pledge of Confidentiality documentation for Section 7 of the Personal Health Information Regulation was on the Department's Intranet website. None of the mandated agencies were aware of it. Pledge of Confidentiality documents had not been completed by the staff or the foster parents.

Mandated Agencies Were Not Disbursing Agency Allowance Funds Equitably Or Appropriately To The Children In Their Care.

- The *Funding Guidelines* identify transportation beyond day-to-day transportation as a legitimate agency allowance expense. However, the *Funding Guidelines* specifically state that transportation costs resulting from home visits were to be funded out of Special Needs Funds. WCFS paid all transportation costs for children, including those arising from home visits, medical and therapy appointments, travel outside school boundaries, or additional activities, out of the agency allowance. WCFS discontinued charging transportation costs related to home visits to the agency allowance once this was brought to the agency's attention during the audit.
- Agency B was unsure how much agency allowance funds they received and how much was subsequently paid to foster parents. This occurred because a separate general ledger account was not set up to capture these costs.
- It is not a CFS Division requirement that agency allowance funds be kept in trust for the children in care. As a result, any surplus funds at the end of the year could have been used by the mandated agencies for other purposes. We noted that Agency A had a surplus of agency allowance funds for the year ended March 31, 2004, but incurred an overall deficit for that year. The CFS Division funded the mandated agency for the deficit net of the agency allowance surplus. As a result, the agency allowance surplus was used to fund agency operations, rather than for the purposes intended by the allowance.
- Administration of gift allowances was not consistently applied.

6.0 Transition of Roles and Responsibilities to CFS Authorities

We reached the following overall conclusion in relation to the transition of roles and responsibilities to CFS Authorities audit objective and criteria:

Audit Objective and Criteria	Conclusions
To gain an understanding of the roles and responsibilities of the CFS Authority Boards of Directors, and review the governance structures put in place by each CFS Authority by March 31, 2005.	As of March 31, 2005, the CFS Authority Boards were at different stages of development in establishing their governance structures and practices. While the CFS Authority Boards had worked actively to put in place the structural requirements for governance, key governance practices such as strategic plans were still in development and/or required additional work at some Boards.
The following criteria were reviewed:	Our overall conclusion is based on the following observations:
6.1 CFS Authority Boards should be implementing an appropriate governance structure.	• **All CFS Authority Boards were working actively to put in place an appropriate governance structure**. Some areas for additional work included: - Board members did not sign either declaration of conflict of interest forms or confidentiality agreements on an annual basis; and - None of the Authority Boards had established an Audit Committee.
6.2 CFS Authority Boards should be establishing governance practices that will enable rigorous monitoring and oversight of the CFS Authority's management and operations.	• **Establishment of leading governance practices was still in development at all CFS Authority Boards**. Some areas for additional work included: - Development of strategic plans; - Ongoing Board training in governance and financial oversight; - Conducting CEO appraisals and approving CEO expenses; and - Conducting on-going Board evaluations.

Audit Objective and Criteria	Conclusions
6.3 CFS Authorities should not have any "significant" concerns regarding their ability to fulfill the duties of a CFS Authority.	• **CFS Authorities expressed concerns that their ability to fulfill the duties of a CFS Authority was constrained.** Some of the challenges brought to our attention included the need to: - Develop strong working relationship with mandated agencies; - Clarify, enhance, and enforce the reporting requirements of mandated agencies. The CFS Department's lack of enforcement of its reporting requirements (**Section 3.3**) was viewed as contributing to the CFS Authorities' challenges in now enforcing the reporting requirements; - Have sufficient funding for CFS Authority staffing and operations. The CFS Authorities indicated that they did not have input into the funding provided to them; - Define the future use of a province-wide information database; and - Clarify roles and responsibilities between the Department and the CFS Authorities in areas where there may be overlap.
6.4 Legislation and regulations should be aligned and properly updated to reflect the devolution to CFS Authorities.	• ***The CFS Act* and *The Adoption Act* were not amended to reflect the substantial changes in the Director of CFS's role.** *The CFSA Act* and the related regulations contain provisions that specifically rescind the powers of the Director of CFS as outlined in *The CFS Act* and *The Adoption Act*. However, *The CFS Act* was not updated in accordance with these changes.

With the proclamation of *The CFS Authorities Act* in November 2003, a new Board of Directors was established for each of the four CFS Authorities. We examined the governance structure of the four CFS Authority Boards of Directors. The CFS Authorities do not deliver services directly, but play an integral role in the coordination of services province-wide and they oversee the mandated agencies providing these services.

In conducting our review, we interviewed the Board Chair and the Chief Executive Officer (CEO) of each CFS Authority. We also reviewed each CFS Authority's by-laws, minutes, and any related documentation, such as strategic plans and policy manuals.

6.1 CFS AUTHORITY BOARDS WERE WORKING ACTIVELY TO PUT IN PLACE AN APPROPRIATE GOVERNANCE STRUCTURE.

Observations

- At the time of our review, all four CFS Authority Boards were focused on implementing the structural governance requirements necessary to assume responsibility for their mandated agencies. Our interviews revealed a strong commitment and clear focus by all CFS Authorities to achieving an effective child and family services delivery system in a culturally appropriate manner.
- **Figure 21** provides an overview of the governance structures in place at each CFS Authority as at March 31, 2005.

FIGURE 21

**Governance Structure of CFS Authority Boards of Directors
As at March 31, 2005**

	First Nations Southern CFS Authority	First Nations Northern CFS Authority	Métis CFS Authority	General CFS Authority
Size of Board	10	6	5 Plus 2 MMF and 3 Elders *ex-officio*	12
Mandated Agencies	7	5	1	4[1]
Board Appointments	Assembly of Manitoba Chiefs (AMC)	Manitoba Keewatinook Ininew Okimowin Inc. (MKO)	Manitoba Métis Federation (MMF)	Minister
Chair	Board - Selected Annually	Board - Selected Annually	Appointed by MMF	Appointed by Minister
Tenure	Staggered terms; 1 - 3 years	Staggered terms; 1 - 3 years	All 3 year terms	All 3 year terms
By-Laws	Yes	Yes	Yes Under review	Yes
Board Meetings/Year	Quarterly	Monthly[2]	Monthly[3]	Monthly
Committees	None	None	1 Executive (also serves as Finance Committee)	4 Executive; Finance; Agency Relations; and Policy and Standards
Board Manual/ Governance Policies	Yes[4]	No	No In development	No
Conflict of Interest Policy	Yes Part of by-laws	Yes Part of by-laws	Yes Part of by-laws	Yes Part of by-laws
Confidentiality Policy	Yes Part of by-laws	Yes Part of by-laws	Yes Part of by-laws	No[5]

Source: Office of the Auditor General.

(1) Excludes regional offices and WCFS.
(2) Board has been meeting monthly through transition stage, although their by-laws specify only six meetings to be held per year.
(3) Board initially met on a quarterly basis; now meeting monthly. We were advised the intention was to resume quarterly meetings in future.
(4) This Board has adopted the Policy Governance approach (commonly known as the Carver Model).
(5) All Board members sign the Oath of Office and Oath of Allegiance forms used for CFS Authority employees.

- The size of each CFS Authority Board differed, as did the number of mandated agencies for which each was responsible.
- Board member appointments are made by the sponsoring organization of each CFS Authority, except for the General Authority, whose Board members are appointed by the Minister. The Board Chair is selected by the CFS Authority Board itself for the First Nations Southern and the First Nations Northern CFS Authorities. For the Métis CFS Authority, the Chair is appointed by the Manitoba Métis Federation (MMF). For the General CFS Authority, the Chair is appointed by the Minister.
- All CFS Authority Boards had completed by-laws. We noted some unique aspects to the by-laws of the Métis CFS Authority in that the Board of Directors could only make recommendations to the MMF for changes to its by-laws; the required amendments could only occur through the MMF Board of Directors. As well, although the two MMF representatives to the Authority Board were ex-officio members, the

by-laws stipulated that at least one must be in attendance for the Métis CFS Authority Board to have a quorum. We were advised that the Métis CFS Authority's by-laws were to be reviewed.

- Each of the CFS Authorities' by-laws contained clauses on conflict of interest. As well, all except for the General CFS Authority had confidentiality clauses in their by-laws. No CFS Authority required Board members to sign either declaration of conflict forms or confidentiality agreements on an annual basis. We were told that General CFS Authority Board members signed the "Oath of Office" and "Oath of Allegiance" forms that are also signed by CFS Authority employees. We noted however, that these forms do not reference conflict of interest or confidentiality issues.
- The Metis and the General CFS Authority Boards had established some Board committees. Both the First Nations Southern and Northern CFS Authority Boards had not established any Board committees, consistent with the "Policy Governance" approach. None of the CFS Authority Boards had established the function of an Audit Committee.

6.2 ESTABLISHMENT OF LEADING GOVERNANCE PRACTICES WAS STILL IN DEVELOPMENT AT ALL CFS AUTHORITY BOARDS.

Observations

- **Figure 22** provides an overview of the key governance practices in place at each CFS Authority Board as at March 31, 2005.

FIGURE 22

Governance Practices of CFS Authority Boards of Directors As at March 31, 2005

	First Nations Southern CFS Authority	First Nations Northern CFS Authority	Métis CFS Authority	General CFS Authority
Vision/Mission Statements	Yes	No	Yes	Yes
Strategic Plan	Yes Updating plan	No In development	No In development	No In development
Board Member Orientation/Training	Yes	Yes	Yes	Yes
AGM Held	November 2004	September 2004	September 2004	November 2004
Annual Report	Yes	No In development	No In development	Yes
Audited Financial Statements for the Year Ended March 31, 2004	Yes	Yes	Yes	No
CEO Performance Appraisals	Yes	Yes	No New CEO hired	No
Board Approval of CEO Expenses	No	No	No	No
Board Evaluation	No	No	No	Yes

Source: Office of the Auditor General.

- Each of the four CFS Authority Boards has developed a vision and mission that reflected the overall goal of the AJI-CWI initiative to better assist children and families through service delivery in a culturally appropriate manner.
- All CFS Authority Boards, other than the First Nations Southern CFS Authority, were still in the process of developing their strategic planning documents. The First Nations Southern CFS Authority Board had developed a strategic plan and, at the time of our review, was in the process of updating it. Section 19 of *The CFSA Act* indicates that a CFS Authority is to *"develop objectives and priorities for providing child and family services consistent with provincial objectives and priorities"*.
- CFS Authority Boards generally consisted of members new to the child-welfare delivery system and not all members had prior board governance experience. Further, the AJI-CWI process was a new and unique undertaking within Canada. All four CFS Authorities had held orientation and training sessions, but the cost of ongoing training and development of Board members was noted by all four CFS Authorities as a future challenge.
- All CFS Authorities have held a public Annual General Meeting. The First Nations Southern Authority and the General CFS Authority distributed an Annual Report. The First Nations Northern Authority and the Métis CFS Authority had not produced Annual Reports, but had audited financial statements available.
- The General CFS Authority was the only CFS Authority not to produce audited financial statements for the year ended March 31, 2004. Unaudited financial statements were contained within their annual report. Audited statements were available for the subsequent year end.
- The First Nations Southern and the First Nations Northern CFS Authorities had carried out annual performance appraisals of their CEOs. The Metis CFS Authority indicated that performance appraisals would be conducted in the future.
- Only the First Nation Southern CFS Authority Board chair approves its CEO's expenses.
- Only the General CFS Authority Board had conducted a Board evaluation process.

6.3 AUTHORITIES EXPRESSED CONCERNS THAT THEIR ABILITY TO FULFILL THE DUTIES OF AN AUTHORITY WAS CONSTRAINED.

- **Appendix D** highlights the duties of a CFS Authority under *The CFSA Act*.
- Some of the challenges brought to our attention by CFS Authority Chairs and their CEOs as they move forward included the need to:

- Develop strong working relationships with mandated agencies;
- Clarify, enhance, and enforce the reporting requirements of mandated agencies. Prior to the creation of the CFS Authorities, there were existing reporting requirements for mandated agencies. These have now devolved to the CFS Authorities. However, given that the Department did not previously enforce these reporting requirements as noted in Section 3.3, some CFS Authorities indicated that having the mandated agencies provide this information now, was a challenge;
- Ensure sufficient funding for CFS Authority staffing and operations;
- Define the future use for a province-wide, information data base to track children in care (i.e., continue the use, or improve the use of CFSIS, or find an appropriate substitute); and
- Clarify specific roles and responsibilities between the Department and the CFS Authorities in areas where there may be overlap.

- Although none of the CFS Authorities incurred deficits for the year ended March 31, 2004, certain CFS Authorities indicated that they had to use non-recurring transitional funding for general operations.
- At the time of our review, the CFS Authorities indicated that they did not have input into the funding provided to them. They noted that they would like to be able to put together a business plan prior to the Estimates (budgetary) process of the province and provide it to the Department for review. This would include information on the direction of the CFS Authorities, the previous budget and actual expenditures, as well as the projected expenditures for the coming year and the additional funding being requested for the Estimates year.

6.4 THE CFSA ACT AND THE RELATED REGULATIONS CONTAIN PROVISIONS THAT SPECIFICALLY RESCIND THE POWERS OF THE DIRECTOR OF CFS AS OUTLINED IN THE CFS ACT AND THE ADOPTION ACT. HOWEVER, THE CFS ACT AND THE ADOPTION ACT WERE NOT UPDATED IN ACCORDANCE WITH THESE CHANGES.

Observations

- The powers and duties of the Director of CFS with respect to mandated agencies have been transferred to the CFS Authorities, with the proclamation of *The CFSA Act*, specifically noted in Section 18:

> *Section (18) Subject to the regulations, where an authority is responsible for administering and providing for the delivery of child and family services to persons under this Act, the authority has the same powers and duties as the director has under The Child and Family Services Act and The Adoption Act respecting the agencies that it has*

mandated, and the powers and duties of the director cease with respect to those agencies.

- Certain sections and subsections of *The CFS Act* and *The Adoption Act* as noted in **Appendix L** and **M** were rescinded through *The CFSA Act* and its regulations, without formal changes being made to *The CFS Act* and *The Adoption Act*. While the procedure to make these changes is legally acceptable, referring to *The CFS Act* or *The Adoption Act* could be confusing. For example, the inspection powers of the Director of CFS have changed.

7.0 Recommendations

FOR THE PROVINCE OF MANITOBA

- That the Province assess the need for consequential amendments to *The Child and Family Services Act* and *The Adoption Act* to reflect the revised powers of the Director of CFS as noted in *The Child and Family Services Authorities Act*.

FOR THE DEPARTMENT OF FAMILY SERVICES AND HOUSING

Recommendations are provided based on audit work conducted prior to the devolution to the CFS Authorities.

The recommendations directed to the Department regarding their monitoring of the CFS Authorities are provided for consideration as their relationship develops and evolves.

Strategic Planning and Outcome-oriented Goals and Objectives (Section 3.1)

- That the Department (CFS Division) complete a Strategic Plan which would include:
  - vision and mission statements;
  - strengths, weaknesses, opportunities, and threats;
  - the goals (priorities) of the CFS Division;
  - the key result areas;
  - the objectives to meet those goals (priorities);
  - performance measurements (balanced mix of outputs and outcomes) to evaluate and assess the key result areas;
  - performance targets to measure against; and
  - a year-to-year comparison of performance.
- That the CFS Division identify outcome-oriented objectives (contained in a Strategic Plan) for the provision of services to child in care and families.
- That the CFS Division develop output/outcome measures (contained in a Strategic Plan) on which CFS Authority performance would be assessed.

Performance Agreements with CFS Authorities (Section 3.2)

- That the Department (CFS Division) negotiate performance agreements with all CFS Authorities in a timely manner. Provisions could include identifying program result expectations, defining the funding model, identifying the content and timing of reporting requirements, compliance to Department policies and standards, and clarifying Department access to information.

Monitoring of CFS Authorities (Section 3.3)

- That the Department (CFS Division) develop follow-up procedures should CFS Authorities not provide the required reports and information within established deadlines, and establish corrective action plans.

- That the Department (CFS Division) analyze CFS Authorities financial reports on a timely manner, in compliance with implemented guidelines and associated checklists.
- That the Department (CFS Division) develop guidelines for analyzing statistical information received from the CFS Authorities on the child care system and that these reviews be conducted in a timely manner.

Quality Assurance (QA) Reviews (Section 3.5)

- That the Department (CFS Division) update their QA Manual in a timely manner to reflect amendments to the *Policy and Procedures Manual*, the *Case Management Standards Manual*, and the *Program Standards Manual*. This would involve developing a quality assurance process to examine all key CFS Authority operations.
- That the Department (CFS Division) conduct QA reviews of CFS Authorities.

Recommendations in the Quality Assurance Reports (Section 3.6)

- Where the Department (CFS Division) has requested a QA review of a mandated agency, that a plan of action for each recommendation in the QA report be required from the CFS Authority.
- Where the Department (CFS Division) has requested a QA review of a mandated agency, that follow-up should be jointly coordinated with the CFS Authority.

CFSIS Completeness and Accuracy (Section 3.7)

- That the Department (CFS Division) in conjunction with the CFS Authorities clarify and confirm their expectations of how CFSIS is to be used by the CFS Authorities and mandated agencies.

Billing System (Section 3.8)

- That the Department (CFS Division) develop a standardized approach for addressing the "specialized parent" category used by various mandated agencies resulting in a provincial system that ensures equity among all foster parents.
- That the Department (CFS Division) explore the benefits of assigning unique identifying numbers to each child in care.

Recommendations in the Chief Medical Examiner Reports (Section 3.9)

- That the Department (CFS Division) in coordination with the CFS Authorities development guidelines as to when a review is to be conducted in response to the Chief Medical Examiner's report.

Child Abuse Registry (Section 3.10)

- That the Department (CFS Division) work in partnership with the Courts Branch and Public Prosecutions Branch to develop a formal system to convey information on child abuse convictions to the Child Abuse Registrar in a timely manner.

Funding Model (Section 4.1)

- That the Department (CFS Division), in collaboration with the CFS Authorities, determine and assess the rationale and logic for the existing funding models' assumptions, base amounts and calculations, as well as assess whether the models provide fair and equitable funding to the mandated agencies for child maintenance and services to families. If it is determined that fair and equitable funding is not being provided, that an alternative funding model be developed.
- That the Department (CFS Division) explore entering into discussions with the federal government to obtain required information on federal children in care to enable a comparison of funding levels for federal and provincial children in care. If federal funding is significantly below provincial funding levels that the province determine the impact on the CFS Authority and mandated agency's ability to meet provincial standards of care for federal children and take appropriate action.

Periodic Reviews of Funding Model (Section 4.2)

- That the Department (CFS Division), in collaboration with the CFS Authorities, review the funding model on a periodic basis to ensure continuing appropriateness.

Communication of Determination of Funding (Section 4.3)

- That the Department (CFS Division) include with the funding letters an attachment that details how the CFS Authorities funding is determined.

Standardized Needs Assessment Tool (Section 5.3)

- That the Department (CFS Division), in conjunction with the CFS Authorities, review the existing needs assessment scoring tools for fee-for-service to understand the different approaches in place and from this, develop a standardized scoring tool that would be used province-wide.
- That the Department (CFS Division) and the CFS Authorities approve a daily rate to be applied to the fee-for-service that is sensitive to the current local conditions and is established and reviewed annually for each mandated agency.

Special Needs Committee's Review of Special Needs of the Child (Section 5.4)

- That the Department (CFS Division) assess the continuing appropriateness of their *Agencies Funding Guidelines* that requires mandated agency SNCs review child assessment needs every six months. If the CFS Division confirms the continuing appropriateness of those guidelines, that the CFS Division ensure the CFS Authority and the mandated agency funding models appropriately reflect the resources required to meet this standard. If a different standard is deemed to be appropriate, that the policy be revised and communicated to the mandated agencies.

Care Plans (Section 5.5)

- That the Department (CFS Division) in collaboration with the CFS Authorities clarify the standard for the minimum frequency for updating child care plans.

Mandated Agency Supervisory Reviews (Section 5.6)

- That the Department (CFS Division) assist the CFS Authorities in developing a standard supervisory review process and form.

Criminal, Child Abuse, Prior Contact and Medical Record Checks (Section 5.8)

- That the regulations be amended to require that criminal record, child abuse registry, prior contact and medical record checks be updated periodically for foster parents and other adults with unsupervised access to foster children.

Administration (Section 5.10)

- That the Department (CFS Division) ensure that the CFS Authorities and their mandated agencies comply with *The Public Sector Compensation Disclosure Act*.

FOR THE CFS AUTHORITIES

The recommendations directed to the CFS Authorities are also provided for consideration given the findings of weaknesses that existed when mandated agencies reported directly to the Department.

The Department and the CFS Authorities are involved in discussions around funding capacity and resource issues that have a significant impact on the pace of change in addressing long-standing systemic problems or issues. It is also appreciated that competing demands present challenges in addressing recommendations and that they must be assessed and prioritized in the context of all changes being addressed in the area of child and family services.

Strategic Planning and Outcome-Oriented Goals and Objectives (Section 3.1 and Section 6.2)

- That the CFS Authorities complete their Strategic Plan ensuring consistency with the strategic direction of the Department (CFS Division). The CFS Authority Strategic Plan could include:
  - vision and mission statements;
  - strengths, weaknesses, opportunities, and threats;
  - the goals (priorities) of the CFS Authorities;
  - the key result areas;
  - the objectives to meet those goals (priorities);
  - performance measurements (balanced mix of outputs and outcomes) to evaluate and assess the key result areas;
  - performance targets to measure against; and
  - a year-to-year comparison of performance.
- That the CFS Authorities identify outcome-oriented objectives and priorities for the provision of services to child in care and families consistent with Department (CFS Division) objectives and priorities.

- That the CFS Authorities develop output/outcome measures on which mandated agency performance would be assessed.
- That the CFS Authorities include a strategic plan as part of the mandated agency reporting requirements, and develop content and format expectations. These expectations would include the need to incorporate in their planning process the output and outcome measures developed by the Department (CFS Division) or the CFS Authorities to measure mandated agency performance.

Service Purchase Agreement (Section 3.2)

- That CFS Authorities negotiate SPAs with all mandated agencies in a timely manner.
- That the format for SPAs include provisions that clearly identify program result expectations, define the funding model, and identify the content, timing and format of serious occurrence reports.

Monitoring of Mandated Agencies (Section 3.3)

- That the CFS Authorities develop follow-up procedures when mandated agencies fail to provide the required reports and information within established deadlines and establish corrective action plans.
- That the CFS Authorities require mandated agencies to prepare financial statements in accordance with Generally Accepted Accounting Principles.
- That the CFS Authorities implement guidelines and associated checklists for analyzing mandated agency financial reports and conduct these reviews in a timely manner.
- That the CFS Authorities develop guidelines for analyzing statistical information and that these reviews be conducted in a timely manner.

QA Reviews (Section 3.5 and Section 5.9)

- That the CFS Authorities develop a risk-based QA review plan that schedules mandated and other agency reviews on a regular cycle.
- That the CFS Authorities update their QA manual in a timely manner when departmental standards and policies are amended.
- That the CFS Authorities QA reviews include an assessment of the appropriateness of the SNC approved rates.
- That the CFS Authorities clearly identify the sample selection approach in the QA reports.
- That the CFS Authorities include a review of mandated agency expenditure governance as part of their mandated agency's QA review process.

CFSIS Completeness and Accuracy (Section 3.7)

- That the CFS Authorities collaborate with the Department (CFS Division) on determining the future use of CFSIS, or the potential for the development of a new case management system.

Validity and Accuracy of Mandated Agency Child Maintenance Billings (Section 3.8)

- That the CFS Authorities ensure that the billing form includes information on the SNC's approved rate, and the date it was approved.
- That the CFS Authorities prepare a manual on how to properly complete their billing form, in particular how to bill for respite, therapy, travel and other special needs services, and on what constitutes allowable expenditures.
- That the CFS Authorities ensure that their billing review procedures include:
  - reviewing significant increases to special needs rates;
  - agreeing a random selection of rates billed for specific children to the SNC approved rate calculation form; and
  - ensuring all children on all agency monthly billings are listed as active for that agency on CFSIS.

Funding Model (Section 4.1)

- That the CFS Authorities in collaboration with the Department (CFS Division),determine and assess the rationale and logic for the existing funding models' assumptions, base amounts and calculations, as well as assess whether the models provide fair and equitable funding to the mandated agencies. If it is determined that fair and equitable funding is not being provided, that an alternative funding model be developed.

Periodic Reviews of Funding Model (Section 4.2)

- That the CFS Authorities in collaboration with the Department (CFS Division), review the funding model on a periodic basis to ensure continuing appropriateness.

Communication of Determination of Funding (Section 4.3)

- That the CFS Authorities include with their funding letters to mandated agencies an attachment that details how their funding is determined.

Standardized Needs Assessment Tool (Section 5.3)

- That the CFS Authorities, in collaboration with the Department (CFS Division), and their mandated agencies review the existing needs assessment scoring tools for fee-for-service to understand the different approaches in place and from this, develop a standardized scoring tool that would be used province-wide.
- That the CFS Authorities, in conjunction with the Department (CFS Division) approve a daily rate to be applied to the fee-for-service that is sensitive to the current local conditions and is established and reviewed annually for each mandated agency.
- That all CFS Authorities conduct needs assessments for all children in care affected by the rate freeze to determine whether the rate freeze has impacted the ability of foster parents to meet the needs of children in their care.

Care Plans (Section 5.5)

- That the CFS Authorities, in coordination with Department (CFS Division) clarify the standard for the minimum frequency for updating child care plans. Plans could also be reviewed from a long-term outcome perspective and to see if the child is benefiting from the assessment conducted.
- That the CFS Authorities ensure that the mandated agencies comply with the standard for the minimum frequency for updating child care plans.

Mandated Agency Supervisory Reviews (Section 5.6)

- That the CFS Authorities, in coordination with the Department (CFS Division), develop a standard supervisory review process.

Mandated Agency Foster Home Re-licensing (Section 5.7)

- That the CFS Authorities actively monitor the foster home licensing process at its mandated agencies to ensure the foster homes are appropriately reviewed and, where warranted the license is renewed prior to expiry.
- That CFS Authorities ensure, on a priority basis that expired foster home licenses are reviewed and, where warranted re-licensed and that the CFS Authorities work with the mandated agencies to ensure there are systems in place to ensure that timely review and licensing/re-licensing practices are in place.

Administration (Section 5.10)

- That the CFS Authorities and their mandated agencies comply with *The Public Sector Compensation Disclosure Act*.
- That the CFS Authorities establish appropriate mileage rates for foster care and ensure that mandated agencies comply with the relevant guidelines that are established.
- That the CFS Authorities amend the declaration of confidentiality to include a reference to personal health information and require that the declaration be signed by all CFS Authority and mandated agency staff, foster home parents and respite workers.
- That the CFS Authorities require their mandated agencies to record mandated agency allowance transaction in a separate reserve account and require the mandated agencies to provide a summarized report on how mandated agency allowance funds were utilized.
- That the CFS Authorities develop policies regarding the use of agency allowance funds to ensure that these funds are used for children in care to achieve the intended outcomes.

CFS Authority Boards of Directors (Section 6.0)

- That the CFS Authorities' Boards of Directors develop monitoring processes that ensure rigorous oversight of their Authority's operations, financial management, and compliance with the Act.

- That the CFS Authorities' Boards of Directors ensure that the functions of an audit committee (with a mandate that reflects leading practices in good governance), are fulfilled.
- That the CFS Authorities' Boards of Directors conduct periodic CEO evaluations and ensure a process is in place to review and approve CEO expenses.
- That the CFS Authorities' Boards of Directors conduct periodic Board evaluations to enable them to continuously reflect on their governance practices and make enhancements as their processes mature.

FOR THE MANDATED AGENCIES

Our audit focused on four mandated agencies. Specific recommendations were provided to each of these mandated agencies, who prepared their mandated agency specific action plans. Our recommendations below are based on this work. We believe that all mandated agencies can benefit from reviewing these recommendations to determine if they are applicable to them, and whether actions are needed to implement such changes in their organizations.

CFS Authorities have indicated that mandated agencies may have funding capacity and resource issues that have a significant impact on the pace of change in addressing long-standing systemic problems or issues. It is also appreciated that competing demands present challenges in addressing recommendations and that they must be assessed and prioritized in the context of all changes being addressed in the area of child and family services.

Monitoring of Mandated Agencies (Section 3.3)

- That the mandated agencies provide the required reports and information within deadlines established by their CFS Authorities.

CFSIS Completeness and Accuracy (Section 3.7)

- That the mandated agencies develop appropriate systems to ensure statistical information from the mandated agency's own case management system reconciles to that recorded in CFSIS.

Strategic Planning and Outcome-Oriented Goals and Objectives (Section 5.1)

- That the mandated agencies complete their Strategic Plan ensuring consistency with the strategic direction of their CFS Authority. Each mandated agency's Strategic Plan could include:
  - vision and mission statements;
  - strengths, weaknesses, opportunities, and threats;
  - the goals (priorities) of the mandated agency;
  - the key result areas;
  - the objectives to meet those goals (priorities);
  - performance measurements (balanced mix of outputs and outcomes) to evaluate and assess the key result areas;
  - performance targets to measure against; and
  - a year-to-year comparison of performance.

- That the mandated agencies identify outcome-oriented objectives for the provision of services to child in care and families linked to CFS Authorities objectives.
- That the mandated agencies utilize the output/outcome measures provided by the CFS Authorities, on which their performance would be assessed.

Mandated Agency Board Monitoring of Financial Performance (Section 5.2)

- That mandated agency boards ensure financial performance is fully monitored.

Needs Assessment Tools (Section 5.3)

- That the mandated agencies cooperate with the CFS Authorities in reviewing the needs assessment tools in place with a view to the utilization of a standard needs assessment tool.

SNC Review of Special Needs Child Maintenance Rates (Section 5.4)

- That the mandated agencies SNCs adhere to provincial standards by conducting a review of each child's special needs funding every six months, or as communicated by the CFS Authority.
- That the mandated agencies in collaboration with their respective CFS Authorities conduct needs assessments for all children in care affected by the rate freeze to determine whether the rate freeze has impacted the ability of foster parents to meet the needs of children in their care.

Care Plans (Section 5.5)

- That the mandated agencies update care plans as required by the CFS Authorities.

Mandated Agency Supervisory Reviews (Section 5.6)

- That the mandated agencies conduct and document their quarterly supervisory reviews of all open child care cases, as required by the case management standards of the Department.

Mandated Agency Foster Home Re-licensing (Section 5.7)

- That mandated agencies review, on a priority basis, all expired licenses and renew the license, or close the foster home as appropriate and that the mandated agencies work with the CFS Authorities to ensure there are systems to ensuring timely review and licensing/re-licensing practices are in place.
- That in the future, mandated agencies schedule and conduct licensed foster home reviews prior to license expiry dates.

Validity and Accuracy of Mandated Agency Child Maintenance Billings (Section 5.9)

- That the mandated agencies follow the CFS Authorities manual (to be developed) on how to properly complete their billing form, and in particular how to bill for respite, therapy, travel and other special needs services, and follow the manual in assessing the appropriateness of expenditures.

- That the mandated agencies ensure that the SNC approved rates are used for billing purposes.

Administration (Section 5.10)

- That the mandated agencies comply with The Public Sector Compensation Disclosure Act.
- That mandated agencies review child care related mileage claims with significant driver only distances to assess the reasonableness of the claims, and to identify opportunities to use more cost effective service providers.
- That mandated agencies ensure that agency allowance funding is used as intended for children in care. This would be assessed for compliance to the policy to be developed by the CFS Authorities.
- That mandated agencies ensure that foster home parents, and other outside workers complete the confidentiality declarations as required by Section 76(3) of The CFS Act.

Departmental Response

The Department is pleased to provide a response to the report of the Audit of the Child and Family Services Department – Pre-Devolution Child in Care Processes and Practices.

As noted in the audit report, in 2000 the Department of Family Services and Housing announced a historic restructuring of the Child and Family Services System in Manitoba. Based on the recommendations of the 1991 Aboriginal Justice Inquiry Report, this restructuring recognized the consensus agreement among Aboriginal governments and the Province of Manitoba that the child and family services system had historically failed to serve Aboriginal people very well. Known as the Aboriginal Justice Inquiry – Child Welfare Initiative (AJI-CWI), a fundamental purpose of this initiative is to return to First Nations and Metis peoples the right to develop and control the delivery of their own child and family services across the Province.

The planning process for the AJI-CWI represented a unique and unprecedented partnership between the Province of Manitoba and Aboriginal leadership. As a critical first step to empowering Aboriginal communities, this planning process prioritized the creation of a new governance structure. This culminated with The Child and Family Services Authorities Act which passed with the unanimous consent of the Legislature in August of 2002 and was proclaimed in November 2003. Following proclamation, the Province, in collaboration with its Aboriginal partners, established a rigorous and thorough process for ensuring that Aboriginal children and families would now be served by their newly mandated culturally appropriate agency. This "transfer of work" which was done region by region throughout the Province began in early 2004 and was substantially completed by October 2005. The new legislation and service structure represent a fundamental and historical shift in policy in Manitoba by legally empowering Aboriginal people to govern and deliver their own child and family services.

The magnitude of the changes that resulted from the AJI-CWI is important given that this audit report was conducted primarily on practices and procedures that were in place during 2002/03 and 2003/04; largely before the restructuring occurred. It is also important to note that the audit focused only on administrative and financial practices and did not assess the quality of care being provided by the child and family services agencies throughout the Province. The audit's findings and recommendations will complement and strengthen changes already underway or being planned.

The Department is of the view that, as a result of actions taken since the audit period and the various new initiatives recently announced, considerable progress has already been made in addressing many of the audit's most significant concerns. On October 13, 2006 the Department

released a document titled "Changes for Children: Strengthening the Commitment to Child Welfare". This was in response to two external reviews of the child and family services system that were commissioned by Government in March 2006. These reviews were in response to the public concern that arose over the tragic death of a child. Completed in late September 2006, the external reviews were led by the Office of the Children's Advocate and the Office of the Ombudsman.

Together, the two external reviews represent one of the most comprehensive studies done on the child and family services system in Manitoba. There are over 200 recommendations addressing a wide range of administrative, financial, service, structural and accountability issues. While the external reviews were much broader in scope, many of their themes and recommendations are consistent with the findings in this audit report. The external reviews and audit both recognize the Government's continuing commitment to the AJI-CWI and acknowledge that many of the current challenges facing child and family services in Manitoba pre-date the restructuring and represent long-standing concerns pervasive in child welfare systems.

In addition to the two external reviews, the four child and family services Authorities also conducted their own review in which child protection workers were asked to have contact with every child in care or receiving service from the child and family services system. This extraordinary measure was undertaken to assure families and the public that children receiving services from the system were known, accounted for and safe.

The "Changes for Children" document sets out the Government's blueprint for achieving substantial and long-lasting improvements in the child and family services system. Given the findings of this audit, some of the most important initiatives are:

- *Increased funding for multi-year enhancements to the Child and Family Services Information System so that it is much more user friendly, universally accessible across the Province, accurate, produces timely information and is used in a more meaningful way to inform system-wide planning.*
- *Funding to create a new child and family services secretariat which will become a focal point for developing a new quality assurance process for child and family services agencies.*
- *A new protocol agreed to by all four Child and Family Services Authorities that sets out a collaborative and efficient process for developing new standards based on proven best practice approaches.*
- *New funding for training with a priority on orientation and mentoring for new staff and refresher training for existing staff in using the case management standards.*
- *New protocols for ensuring timely responses and tracking progress related to recommendations coming from the Office of the Chief Medical*

Examiner, the Office of the Children's Advocate, inquests and other special reviews.

- *A commitment to establish an evaluation framework that builds on the national outcomes work and incorporates performance measures in addition to regular monitoring of compliance with standards.*
- *Establishing a formal strategic planning process led by two independent co-chairs that respects and builds on the collaborative relationship with Aboriginal partners that was established under the AJI-CWI.*

These initiatives, while most relevant to the audit report findings, are in addition to further substantial funding commitments intended to improve prevention programs, establish new early intervention services, achieve workload relief for front-line staff and provide innovative training strategies for supervisors and workers.

With regard to specific findings in the audit report, the Department has, or will be initiating, the following actions.

1. *In response to a request from the A/Executive Director of the Child Protection Branch, the four Child and Family Services Authorities are taking action to ensure that all required criminal record and child abuse registry checks are in place for staff and foster parents and that all foster home licenses are up to date. The Department will work collaboratively and meet regularly with the four Authorities to monitor progress.*
2. *The Department has undertaken an inter-jurisdictional survey to determine best practice approaches for updating the required checks in the foster home system. A new protocol is being established jointly by the Authorities and the Department to ensure that these checks are updated regularly and consistently.*
3. *As a priority, the Department is collaborating with the Authorities to finalize a quality assurance framework for the Child and Family Services Authorities to be in place early in 2007.*
4. *To strengthen financial accountability and comptrollership capacity, the Department will be hiring additional staff for the Agency Accountability and Support Unit as well as dedicated financial management staff to be assigned within the Child and Family Services Division and the Authorities.*
5. *The Department has already initiated a review of the child and family services funding model in collaboration with the four Authorities. This began early after the initial transfer of work under the AJI-CWI. A small group comprised of representatives from the Department and the Authorities has developed options for a new and rational approach to funding. This is currently under consideration by the Department and will likely be phased-in over the next two fiscal years.*

6. *Service Purchase Agreements (SPAs) have been signed between the Department and the four Authorities. The Southern Authority and the Metis Authority have SPAs in place with their agencies. The General Authority and the Metis Authority anticipate completing SPAs with their agencies prior to the start of the 2007/08 fiscal year.*

7. *The Department and the Authorities will be initiating a review of all existing Child and Family Services legislation in 2007/08, leading to major amendments once the review has been completed.*

In addition to these actions being initiated by the Department and the Authorities, a copy of this audit report will be provided to the co-chairs who are leading the implementation process for the external reviews. The Department is confident that the findings and recommendations from this report will inform and assist the co-chairs in designing an effective implementation plan.

CFS Authorities Response

The Metis CFS Authority, the First Nations of Southern Manitoba CFS Authority, the First Nations of Northern Manitoba CFS Authority, and the General CFS Authority are pleased to provide a response to the report of the Audit of the Child and Family Services Department – Pre-Devolution Child in Care Processes and Practice.

The Aboriginal Justice Inquiry – Child Welfare Initiative (AJI-CWI) is a major and significant event for Aboriginal children and families in the Province of Manitoba. Recognizing that the child and family services system had historically not achieved good outcomes for First Nation and Metis children, a key objective of the AJI-CWI was to return to First Nations and Metis people the ability to develop and control the delivery of their own child and family services throughout the Province.

The AJI-CWI is characterized by a unique and unprecedented partnership between the Province of Manitoba and First Nations and Metis leadership. Through this partnership, an extensive planning process resulted in the creation of a new governance structure and subsequent transfer of work to the First Nations and Metis agencies and Authorities.

The First Nations agencies had been operating in the Province of Manitoba since the early 1980's, but their mandates were restricted to on reserve. With proclamation of the Child and Family Services Authorities Act, these agencies were given province wide mandates. A new Metis agency was created, also with a province wide mandate. In addition, the four CFS Authorities assumed the responsibilities under the CFS Authorities Act as of proclamation in late November 2003.

Given that the audit was conducted on practices and processes in place during 2002/03 and 2003/04, it is important to note that the CFS Authorities did not have a full year of operations until 04/05. Thus, while

the findings in the report pre-date the CFS Authorities, the audit's findings and recommendations will assist the CFS Authorities as they build and develop sound and leading edge governance and administrative practices in the new system.

The audit references the recent External Review Reports – Strengthen the Commitment – an External Review of the Child Welfare System and Honoring their Spirits – the Child Death Review. We note that there is considerable overlap between the recommendations of the audit and the recommendations contained in these external reviews. It is important to note that the issues identified in the audit and in the external reviews pre-date the AJI-CWI. The issues are not a result of the AJI-CWI; rather, AJI-CWI has inherited them. The intensive restructuring process that has characterized the AJI-CWI has highlighted the need to find innovative and sustainable solutions to these issues.

With 80% of the children in care being Aboriginal, First Nations and Metis people, perhaps more so than the general public, are acutely aware of the shortcomings of the child and family service system, and have a much larger investment in seeking long term improvements. The decision to proceed with AJI-CWI, in spite of the deficits in the CFS system, stemmed from the desire to reclaim the fundamental right of looking after our children. It was our belief that substantive change would only occur with a major restructuring of the system.

We are confident that the process established to implement the recommendations of the external reviewers will address the concerns raised in the audit. The additional resources that the Province of Manitoba has committed to child welfare will result in an improved and strengthened governance and service structure that is better positioned to meet the needs of children and families requiring child welfare services.

The audit findings provide a baseline that describes the administrative aspects of the child and family services system prior to the AJI-CWI. The audit's recommendations provide a listing of areas that the CFS Authorities will seek to address in order to improve their effectiveness in monitoring service delivery. The audit findings have highlighted some practice areas (for example, foster care licensing); however, the audit report acknowledges that not all practice areas were looked at. In addressing all of the recommendations, the CFS Authorities will determine priorities based on service needs, to ensure that action takes place in a planned and effective manner.

Under the AJI-CWI, and since the time of the audit, work has progressed in the following key areas:

- *A joint working group (comprised of representatives from each of the four Authorities and the Child Protection Branch) has been working on developing a new funding model for CFS. This work includes articulating the logic and assumptions used in the model. The model is attempting to build in a regular review and adjustment of the*

funding levels. An interim funding adjustment is anticipated for 07/08, with full implementation of the model planned for 08/09.

- *The CFS Authorities have negotiated a Service Purchase Agreement (SPA) with their agencies. Two of the four Authorities (Southern Authority with eight agencies and Metis Authority with one agency) have SPAs in place with all of their agencies. It is anticipated that the General Authority and the Northern Authority will have completed SPAs in place for 2007. These SPAs include (or will include) details on the funding level and how the funding was determined. They will include the requirement that agencies comply with The Public Sector Compensation Disclosure Act. The recommendations in the audit report with respect to SPAs will assist in further refinement of these agreements.*

- *The CFS Authorities are preparing to assume the responsibility for the funding of maintenance. The findings and recommendations in the audit report will serve as a checklist of the processes and procedures that need to be in place in order to effectively monitor the validity and accuracy of the maintenance billings. Each Authority is currently working on the preparation of a manual that will outline, for the agencies, what can be billed, and how to complete the billing form.*

- *A Joint Training Unit (JTU) has been established and will be operational in January 2007. Three of the four Authorities have hired Education and Training coordinators; the remaining Authority is in the process of hiring for this position. Priorities for this unit include orientation, competency based training, and refresher training for existing staff.*

- *A committee has been established and work has begun on a review of foster care payments, including special rates and mileage rates.*

- *The report noted the absence of any evaluations for three of the four Authority Boards. It should be pointed out that the period looked at in the audit for this aspect was to March 31/05. At that time, Authorities would have just completed one full year of operations, making a Board evaluation somewhat premature. All of the four Authorities have plans to conduct Board evaluations. Since the time of the audit, all four Authority Boards have completed an evaluation of their respective CEO. The report noted that the Southern Authority has a process in place for the Board to review and approve CEO expenses. The other three Authorities are currently setting up such a process. All four Authorities report that there are procedures in place to ensure that the functions of an audit committee are fulfilled by the Board of Directors. All four Authorities are committed to continuous Board development and to ensuring that their Board develops monitoring processes that ensure rigorous oversight of their Authority's operations, financial management, and compliance with the Act.*

The four CFS Authorities, along with the Child Protection Branch, are actively involved in the process to implement the recommendations of the external reviews. We believe that this will address numerous other areas contained in the findings of the audit:

- *Work is underway to improve and enhance the CFS Information System (CFSIS) with a view to making it more user friendly, accessible everywhere in the Province, accurate, and timely. This will facilitate agencies using it as a case management tool and improve the Authorities' ability to use CFSIS to monitor service delivery and performance outcomes. The changes will allow agencies, Authorities, and the Branch to make more effective use of CFSIS as a planning tool. A list of required changes has been developed and prioritized, including the development of a financial module. Pending resolution of the connectivity issues, all four Authorities are moving towards requiring all of their agencies to fully use the system.*

- *Work has been completed, by the Authorities and the Child Protection Branch, to establish a protocol to be used in the development of standards. There is agreement among all the parties that the review, revision, and implementation of foundational standards is a priority. In addition, as per the CFS Authorities Act, one of the Authorities has begun work on the development of culturally specific standards which are consistent with the foundational standards. All four Authorities anticipate doing work in this area in the immediate future.*

- *Joint work between the Authorities and the Child Protection Branch is underway to develop and implement a process that will see regularly scheduled comprehensive quality assurance reviews being done. The funding for a common table support unit, as recommended by the External Reviews, will provide staff resources to expedite this work.*

- *An increase to the agency allowance has been provided by the Province of Manitoba. An effective method of monitoring the expenditures of this fund by agencies is being developed, based on an outcomes measurement approach.*

- *Funding has been provided by the Province of Manitoba to build a differential response capacity within the CFS System. The framework for this service response is currently being developed. This work includes defining hoped for outcomes, how to measure these, and methods to evaluate agency performance on these outcomes.*

In addition to the implementation of the external review recommendations, and the work of the AJI-CWI, the four CFS Authorities have, or will be, taking the following action:

- *Completing strategic plans, which will include identifying outcome oriented objectives and priorities for the provision of services to children and families.*

- *Assisting agencies in meeting the requirement to complete strategic plans by providing format and content expectations, as well as training where required.*

- *Working with the Child Protection Branch and the agencies to determine an outcome based approach to evaluating agency performance, including financial performance.*

- *Establishing formal processes and procedures, that will include associated checklists and corrective action plans, to monitor mandated agencies. This will incorporate procedures to be followed should mandated agencies fail to provide the required reports and information within established deadlines. Agencies are required to prepare financial statements in accordance with Generally Accepted Accounting Principles.*

- *Reviewing the services provided by agencies to children in care, with a view to improving capacity. This will include clarifying standards with respect to care plans and ensuring compliance to these standards; developing improved mechanisms to monitor the care plans and track a child's progress; and ensuring regular supervisory review of care plans.*

- *Developing and implementing a plan to work with agencies to ensure that all active foster homes have a current license, and that licensing and re-licensing of foster homes occurs in a timely manner.*

- *The Province has indicated that resources to strengthen financial accountability and oversight capacity for the Authorities will be addressed. It is noted that the majority of the areas included in the findings and recommendations of the audit, related to financial accountability, is work that, under the CFS Authorities Act, has become the responsibility of the Authorities. As the responsibility for the funding of maintenance is transferred from the Child Protection Branch to the Authorities, a corresponding transfer of resources (finance staff) from the Province must also occur.*

- *Amending the declaration of confidentiality to include a reference to personal health information and requiring that the declaration be signed by all CFS Authorities and mandated agency staff, foster home parents and respite workers.*

The four CFS Authorities are committed to improving the quality of services received by children and families who come into contact with the CFS system. To this end, we will continue to work together with the Child Protection Branch, agencies, and First Nation and Metis leadership, to resolve areas of mutual concern. We appreciate the contribution that this audit report makes to that effort.

CHILD AND FAMILY SERVICE (CFS) AUTHORITIES AND THEIR MANDATED AGENCIES AS OF MARCH 31, 2004

Appendix A

First Nations of Southern Manitoba CFS Authority

Anishinaabe Child and Family Services
- Dauphin River First Nation
- Lake Manitoba First Nation
- Lake St. Martin First Nation
- Little Saskatchewan First Nation
- Pinaymootang First Nation (Fairford)

Dakota Ojibway Child and Family Services
- Birdtail Sioux First Nation
- Canupawakpa Dakota Nation
- Dakota Plains First Nation
- Long Plain First Nation
- Roseau River First Nation
- Sandy Bay First Nation
- Sioux Valley Dakota Nation
- Swan Lake First Nation

Intertribal Child and Family Services
- Dakota Tipi First Nation
- Fisher River Cree Nation
- Kinonjeoshtegon First Nation

Peguis Child and Family Services
- Peguis First Nation

Sagkeeng Child and Family Services
- Sagkeeng First Nation

Southeast Child and Family Services
- Berens River First Nation
- Bloodvein First Nation
- Brokenhead Ojibway First Nation
- Buffalo Point First Nation
- Hollow Water First Nation
- Little Black River First Nation
- Little Grand Rapids First Nation
- Pauingassi First Nation
- Poplar River First Nation

West Region Child and Family Services
- Ebb & Flow First Nation
- Gamblers First Nation
- Keeseekoowenin First Nation
- O-Chi-Chak-Ko-Sipi First Nation
- Pine Creek First Nation
- Rolling River First Nation
- Skownan First Nation
- Tootinaowaziibeeng First Nation
- Waywayseecappo First Nation

Métis CFS Authority

Métis Child, Family and Community Services Agency

First Nations of Northern Manitoba CFS Authority

Awasis Agency of Northern Manitoba
- Barren Lands First Nation (Brochet)
- Cross Lake First Nation
- Fox Lake First Nation
- God's Lake Narrows First Nation
- Manto Sipi First Nation (God's River)
- Northlands First Nation (Lac Brochet)
- Oxford House First Nation
- Sayisi Dene First Nation (Tadoule Lake)
- Shamattawa First Nation
- Tataskweyak First Nation (Split Lake)
- War Lake First Nation
- York Factory First Nation

Cree Nation Child and Family Caring Agency
- Chemawawin
- Grand Rapids
- Marcel Colomb
- Mathias Colomb (Pukatawagan)
- Mosakahiken
- Opaskwayak
- Sapotaweyak
- Wuskwi Sipihk

Island Lake First Nations Family Services
- Garden Hill First Nation
- St. Theresa Point First Nation
- Wasagamack First Nation
- Red Sucker Lake First Nation

Kinosao Sipi Minisowin Agency
- Norway House First Nation

Nisichawayasihk Cree Nation Family and Community Wellness Centre
- Nisichawayasihk (Nelson House)
- South Indian Lake

General CFS Authority

Child and Family Services of Central Manitoba

Child and Family Services of Western Manitoba

Churchill Regional Health Authority

Jewish Child and Family Services

Winnipeg Rural and Northern Child and Family Services
- Eastman Regional Operations
- Interlake Regional Operations
- Northern Regional Operations
- Parkland Regional Operations
- Winnipeg Child and Family Services Branch

Appendix B

GLOSSARY OF TERMS

Agency	See Mandated Agency.
Agency Allowance	Funds are available to every child in care based on the child's needs and/or special events. The funds are to be provided to the foster parents for gifts (birthday and Christmas), education, activities, special occasions and for special costs for the child in their care. Some mandated agencies choose to pay the allowance directly to foster parents as part of their per diem, while others pool this money and distribute it based only on the needs of the child. Funding of the agency allowance is provided as part of the basic maintenance.
Authority	A Child and Family Services Authority as identified in *The Child and Family Services Authorities Act*.
Basic Maintenance	Comprised of two components: the rate paid directly to the foster parents and the agency allowance for child related items. Each year the CFS Division provides a Chart of Accounts (see **Appendix L**) that identifies the foster rate payable to the foster parents.
Central Support/Program Grant	Provincial funding to mandated agencies for the salaries and benefits of executive, administrative, and direct-service workers, as well as for office operations and maintenance, professional fees, and other costs such as board training and foster-parent education. First Nation agencies do not receive provincial funding for executive and administrative costs; these are provided by the Federal Government.
Child	A person under the age of majority.
Child in Care	The Department's website defines a child in care (foster child) as: *"A Child who is not able to live with his or her birth family… ."* *"Foster children come from all age groups, from new born to 17 years of age, and from all backgrounds. What they all have in common is their need for a good home.* *A child may need foster care for a number of reasons, including:* • *Illness, death, or conflict in his or her family;* • *Neglect or abandonment; and* • *Physical, sexual or emotional abuse.* *Some adolescent children need foster care when their views severely conflict with those of their families.*

GLOSSARY OF TERMS

Appendix B
(cont'd.)

	Foster children may have special needs because of a disability or emotional problem and require more care and attention than their family can provide."
Child and Family Services Information System (CFSIS)	System developed by the Department of Family Services and Housing as a case management system to be used by agency workers, supervisors and administrative staff for case recording and monitoring of service provisions to children and their families. It connects most provincial CFS mandated agencies providing services off-reserve under *The Child and Family Services Act* and *The Child and Family Services Authorities Act* so that relevant information is available to track families moving between the different areas and mandated agency jurisdictions of the province.
Department	The Department of Family Services and Housing.
Director of Child and Family Services	Individual given specific duties and powers under *The Child and Family Services Authorities Act*, *The Child and Family Services Act*, and *The Adoption Act*.
Exceptional Circumstance	Children whose needs are determined to be in the Level V range based on a child assessment. The Child Protection Branch screens all children referred by the mandated agencies/regions for a Level V classification.
Foster Home	A home other than the home of the parent or guardian of a child, where not more than four children who are not siblings are placed by a mandated agency for care and supervision, but not for purposes of adoption.
Fee for Service	Additional funding provided to foster parent(s) for services based on the special care-needs of the child. The fee must also reflect the foster parents' ability to meet a child's special needs.
Group Home	A home where, ordinarily, between five and eight children are placed by a mandated agency for full-time care and supervision.
Mandated Agency	A corporation without share capital that has been mandated for the purpose of providing child and family services under *The Child and Family Services Act* or *The Adoption Act*, or is a regional office.
Northern Food Allowance	Additional funding provided to foster parent(s) based on the location of the child in care (see **Appendix L**).

Appendix B
(cont'd.)

GLOSSARY OF TERMS

Process Mapping Task Team	Team consisting of representatives from the CFS Division and the Winnipeg Child and Family Services Branch (WCFS) designated to address systemic barriers of short-term emergency placement (STEP).
Regional Office	A CFS office of the Province for which the Minister is responsible.
Respite	Caregivers who provide foster parents with short intervals of time off from the day-to-day care of foster children.
Special Needs Committee (SNC)	Panel or committee of supervisors or resource co-coordinators at a mandated agency who review and approve special rates (i.e., fee for service, respite, etc.). Review is based on a needs assessment and other information provided from the social worker to ensure that, regardless of the location of the foster home, the components of the special rate are comparable with the child's needs/foster family skills. The approved special rates are to be reviewed every six months.
Special Rates/Needs Funding	Money paid to care provider(s) above the basic maintenance rate for the special needs of the child in their care, subject to approval by the SNC.

DUTIES OF THE DIRECTOR OF CFS UNDER *THE CFS ACT*

Appendix C

The powers and duties of the Director of CFS with respect to mandated agencies have been transferred to the CFS Authorities, with the proclamation of *The Child and Family Services Authorities Act*. The Director no longer has the powers noted in the bolded subsections.

Section 4(1)

Under the control and direction of the minister, the director shall

(a) administer and enforce the provisions of this Act;
(b) advise the minister on matters relating to child and family services;
(b.1) in accordance with the regulations, license child care facilities other than foster homes and hear **and decide appeals from agencies with respect to the licensing of foster homes**;
(c) **advise agencies**[1];
(d) ensure the development and establishment of standards of services and practices and procedures to be followed where services are provided to children and families;
(e) **ensure that agencies are providing the standard of services and are following the procedures and practices established pursuant to clause (d) and by the provisions of this Act and the regulations**;
(f) **receive and hear complaints from any person affected by the administrative actions of an agency**;
(g) **exercise the powers and duties of an agency in any area in which no agency is functioning**;
(h) **supervise or direct the supervision of children in care, and receive and disburse moneys payable for their maintenance**;
(i) protect children in need of protection;
(j) ensure the development of appropriate placement resources for children;
(k) submit a yearly budget for the child and family services system and keep books of account of all moneys received and disbursed by the director;
(l) prepare and submit an annual report to the minister;
(m) perform such other duties as may be prescribed by this Act, by the regulations, or as may be required by the minister.

Section 4(2)

For the purpose of carrying out the provisions of this Act, the director may

(a) enter and inspect the premises of an agency, a child care facility or other place where a child is placed under this Act[2];
(b) inspect and obtain a copy of any record, paper or thing, or a sample of any material, food, medication, or thing that, in the opinion of the director, relates to an agency, a child, a child care facility, or to any matter being investigated by the director and that is in the possession or under the control of an agency or a person in charge of any place

Appendix C (cont'd.)

DUTIES OF THE DIRECTOR OF CFS UNDER *THE CFS ACT*

mentioned in clause (a)[3];

(b.1) require any person who in the opinion of the director is able to give information relating to any matter being investigated by the director

(i) to furnish information to the director, and

(ii) to produce and permit the director to make a copy of any record, paper, or thing that, in the opinion of the director, relates to the matter being investigated and that may be in the possession or under the control of the person,

but nothing in this clause abrogates any privilege that may exist because of the relationship between a solicitor and the solicitor's client;

(b.2) do any thing in relation to the licensing of child care facilities other than foster homes and the hearing and **determination of appeals from agencies concerning the licensing of foster homes** that may be prescribed by the regulations or otherwise considered necessary;

(c) conduct enquiries and carry out investigations with respect to the welfare of any child dealt with under this Act;

(d) establish procedures to hear complaints under this Act;

(e) solicit, accept and review reports from individuals or organizations concerned or involved with the welfare of children, families, or both;

(f) designate in writing a place or type of places as a place of safety for the purposes of this Act;

(g) **issue a written directive to an agency**[4];

(h) do any other thing in accordance with the provisions of this Act that the minister may require.

---

[1] With respect to section 4(1)(c)the Director ceases to have that duty except with respect to advising the agencies about the operation of the child-abuse registry.

[2] With respect to 4(2)(a) the Director retains the power in relation to child care facilities other than foster homes, and in relation to other places where a child is placed under the Act

[3] With respect to 4(2)(b) the Director ceases to have those powers to inspect and obtain copies or samples of things

(a) that relate to an agency, a child, a foster home licensed by an agency mandated by an authority or to a matter being investigated by an authority;

(b) that are in the possession or control of an agency or a foster home licensed by an agency mandated by an authority.

The Director retains the powers to inspect and obtain copies or samples of things that:

(a) relate to a child, a child care facility other than a foster home, or to a matter being investigated by the director; and

(b) are in the possession or control of a person in charge of:

i. a child care facility other than a foster home, or

ii. another place where a child is placed under the Act.

[4] With respect to section 4(2)(g),the Director ceases to have that power except with respect to advising the agencies about the operation of the child-abuse registry.

Appendix D

DUTIES OF A CFS AUTHORITY UNDER *THE CFSA ACT*

Section 19

Subject to the regulations, an authority must, in respect of the persons for whom it is responsible to provide services under section 17,

a) promote the safety, security and well-being of children and families, and protect children in need of protection;
b) develop objectives and priorities for providing child and family services consistent with provincial objectives and priorities;
c) ensure that culturally appropriate standards for services, practices and procedures are developed;
d) ensure that the standards developed under clause (c) are consistent with provincial standards, objectives and priorities;
e) ensure that the agencies it has mandated under Part I of *The Child and Family Services Act* provide services and follow the practices and procedures in accordance with the standards referred to in clause (c);
f) establish hiring criteria for persons to be hired to provide child and family services, and ensure that those criteria are implemented by agencies it has mandated;
g) ensure that child and family services prescribed by regulation are provided or made available, and ensure that there is reasonable access to services generally;
h) ensure that child and family services are provided
    I. in a manner that is responsive to the needs of the children and families receiving the services, and
    II. where practicable, in the language in which those children and families ordinarily communicate with each other;
i) determine how funding is to be allocated among the agencies it has mandated in order to meet
    I. the objectives and priorities developed by the authority, and
    II. provincial objectives and priorities;
j) cooperate with other authorities, the director and others to ensure that the delivery of child and family services in the province is properly coordinated;
k) advise the agencies it has mandated;
l) ensure the development of appropriate placement resources for children;
m) advise the minister about child and family services matters;
n) supervise or direct the supervision of children in care, and receive and disburse money payable for their care;
o) make recommendations to the director about the licensing of child care facilities other than foster homes, that are not owned and operated by an agency;
p) hear and decide appeals respecting the licensing of foster homes;
q) comply with any written directions given by the minister, and with any requirements specified in the regulations.

Appendix E

DUTIES OF MANDATED AGENCIES UNDER *THE CFS ACT*

Section 7(1)

According to standards established by the director[1] and subject to the authority of the director, every agency shall:

(a) work with other human service systems to resolve problems in the social and community environment likely to place children and families at risk;
(b) provide family counseling, guidance and other services to families for the prevention of circumstances requiring the placement of children in protective care or in treatment programs;
(c) provide family guidance, counseling, supervision and other services to families for the protection of children;
(d) investigate allegations or evidence that children may be in need of protection;
(e) protect children;
(f) develop and provide services which will assist families in re-establishing their ability to care for their children;
(g) provide care for children in its care;
(h) develop permanency plans for all children in its care with a view to establishing a normal family life for these children;
(i) provide adoption services under *The Adoption Act*;
(j) provide post-adoption services to families and adults under *The Adoption Act*;
(k) provide parenting education and other supportive services and assistance to children who are parents, with a view to ensuring a stable and workable plan for them and their children;
(l) develop and maintain child care resources;
(m) provide services which respect the cultural and linguistic heritage of families and children;
(n) **provide such reports as the director may require**;
(o) take reasonable measures to make known in the community the services the agency provides;
(p) **conform to a written directive of the director**;
(q) maintain such records as are required for the administration or enforcement of any provision of this Act or *The Adoption Act* or the regulations;
(r) **provide any other services and perform any other duties given to it by this Act** or *The Adoption Act*, or by the director in accordance with this Act or *The Adoption Act*.

[1] Those standards that have been bolded, now apply to the CFS Authorities rather than the Director, after *The CFSA Act* was proclaimed.

ANNUAL FUNDING OF MANDATED AGENCIES, REGIONAL OFFICES AND THE WCFS

Appendix F

Mandated Agencies	For the Year Ending March 31 ($000s)				
	2000	2001	2002	2003	2004
Non-First Nation Agencies					
Child and Family Services of Central Manitoba	3,398.9	3,765.8	3,863.6	3,839.9	3,840.3
Child and Family Services of Western Manitoba	4,892.7	5,530.1	5,755.6	5,891.1	6,563.1
Jewish Child and Family Services	312.6	407.4	465.4	587.3	760.4
Churchill Child and Family Services	236.3	341.1	176.2	195.9	139.9
Total Non-First Nation Agencies	**8,840.5**	**10,044.4**	**10,260.8**	**10,514.2**	**11,303.7**
First Nation Agencies					
Dakota Ojibway Child and Family Services	759.4	974.2	1,082.4	1,105.1	1,183.0
West Region Child and Family Services	2,249.4	3,142.3	3,812.9	3,829.2	3,929.6
Southeast Child and Family Services	2,567.9	2,769.5	2,887.6	3,107.4	3,595.1
Intertribal Child and Family Services	603.7	715.6	850.1	1,029.3	1,140.0
Anishinaabe Child and Family Services	1,739.5	2,138.1	2,606.0	2,450.8	2,670.5
Awasis Agency of Northern Manitoba	723.7	762.6	998.5	714.2	867.9
Cree Nation Child and Family Caring	1,337.1	1,716.5	1,650.9	1,651.0	1,672.2
Island Lake First Nations Family Services	299.4	359.6	497.5	518.4	522.1
Peguis Child and Family Services	870.5	848.0	883.4	988.4	1,040.2
Kinosao Sipi Minisowin Agency	26.8	77.1	113.2	261.0	353.3
Sagkeeng Child and Family Services	-	-	327.7	374.8	466.3
Nisichawayasihik Cree Nation Family and Community Services	-	-	87.1	172.9	187.4
Total First Nation Agencies	**11,177.4**	**13,503.5**	**15,797.3**	**16,202.5**	**17,627.6**
Regional Offices of the CFS Division[1]					
Eastman	635.1	772.5	735.1	906.6	1,070.2
Interlake	1,518.0	1,498.1	1,657.6	1,520.0	1,425.8
Parkland	1,711.7	1,806.5	1,989.7	2,105.3	2,285.3
Northern (formerly Norman and Thompson)	5,072.8	5,029.9	4,936.0	5,227.4	5,622.5
Total Regional Offices	**8,937.6**	**9,098.0**	**9,318.4**	**9,759.3**	**10,403.8**
Winnipeg Child and Family Services	**73,385.7**	**80,067.0**	**89,994.6**	**88,645.6**	**99,173.1**[2]
Total	**102,341.2**	**112,712.9**	**125,371.1**	**125,121.6**	**138,508.2**

Source: Department of Family Services and Housing Annual Reports.

(1) Regional Offices provided other services in addition to those specific to mandated agencies, such as employment and income assistance, vocational rehabilitation services, and child day care. In addition to the amounts above, they were funded for salaries and operating costs out of the CSD Division.

(2) The WCFS received funding from both the CFS Divsion and the CSD Division.

Appendix G

FOSTER CARE RATES FOR THE YEAR ENDING MARCH 31, 2004

Payable to Foster Parents (in $ per day)

Chart of Accounts	South of 53		North of 53 (Road Access)		North of 53 East of Lake Winnipeg N51 12 (No Road Access)	
	Age		Age		Age	
	0 - 10	11 - 17	0 - 10	11 - 17	0 - 10	11 - 17
Household Allowance	.45	.45	.47	.47	.47	.47
Bedding and Linen	.46	.46	.48	.48	.48	.48
Repairs and Equipment	.90	1.00	.94	1.06	.94	1.06
Utilities	1.07	1.07	1.12	1.12	1.12	1.12
Food	5.55	7.04	6.10	7.75	8.03	10.21
Health and Personal Care	.52	.82	.55	.86	.55	.86
Transportation	1.57	1.57	1.64	1.64	1.64	1.64
Respite	1.81	1.81	1.92	1.92	1.92	1.92
Replacement Clothing	1.85	2.30	1.94	2.42	1.94	2.42
Personal Allowance	.67	1.54	.70	1.61	.70	1.61
Babysitting/Child Care	1.19	1.19	1.25	1.25	1.25	1.25
Damages/Deductibles	.92	1.81	.99	1.87	.99	1.87
Total to Foster Parents	16.96	21.06	18.10	22.45	20.03	24.91
Agency Allowance						
Gifts	.28	.28	.28	.28	.28	.28
Activities, Education, Special Occasion, and Other Special Costs	1.12	1.12	1.17	1.17	1.17	1.17
Sub-total	1.40	1.40	1.46	1.46	1.46	1.46
Total Rate	18.36	22.46	19.56	23.91	21.49	26.37
Northern Food Allowance			.28	.34	2.21	2.80

MANDATED AGENCY MONTHLY BILLING FORM

Monthly Billing Form Sent in by Mandated Agencies for Payment to the CFS Division

Appendix H

Monthly Billing by Level of Care and Location

Child's Name	Birth Date	Treaty Number	Band Name	Status	From/To	Days Per Age Group		Foster Parent Board	Agency Allowance (details)	Total Basic Maintenance
						0-10	11-18			

Total Basic Maintenance	Northern Food Allowance	Special Rates/Needs (Details)	Exceptional Circ. Expenditures (Details)	Support Services	Total Expenditures		Revenue

Agency Allowance Details

Gifts	Education	Activities	Special Occur.	Total Agency Allowance

Special Rates/Needs Details

Fee for Service	Respite	Therapy	Initial Clothing	Age of Majority	Home Visits	Medical	Other Special	Total Special Rate Needs

Exceptional Circumstances Details

Criminal Legal Fees	Out of Province Travel	Services to Level IV	Extra One Time Special Needs Costs	Total Exceptional Circumstances

Appendix I

SUBSIDIARY AGREEMENT PROGRAMS AND SERVICES

The Programs Identified in the Subsidiary Agreements with the Province and a First Nation

Programs	Services
Child Protection	a) identification and investigation of all reports or referrals of a child being in need of protection; b) assessment of the child's needs and family's capacity to provide for the safety, security and well-being of the child; c) case planning that includes a history and family assessment, service planning and implementation, monitoring and review, transfers and termination; d) counselling and supportive services to families including referrals for therapy and treatment; e) case coordination with medical, justice, education and other relevant collaterals as required; f) establishment of a regional child abuse committee to review cases of child abuse; g) submission of names for entry on the Child Abuse Registry in accordance with the Act; and h) apprehension where necessary to protect a child and placement of the child in a place of safety including extended family, licensed resources and other recognized community resources.
Children in Care	a) assessment of needs to provide care and supervision in the least intrusive manner necessary for a child's safety, security and well-being; b) placement planning and selection, monitoring of a child's placement, review of foster placements and a child's progress, and case transfers and terminations; c) placement resource planning, including the development, maintenance, support, and monitoring of regular, specialized and emergency foster homes, receiving homes and group homes; d) permanency planning, monitoring and review; e) age of majority planning, monitoring and review; f) Agency care and supervision that supports the child's best interests and all aspects of well being and development; g) involvement of the child, parents or significant family members in the planning process whenever this is appropriate and possible; and h) advocacy and, where necessary, assistance in obtaining appropriate legal services.
Child Placement Protocol	a) family as defined in the Act; b) extended family consistent with _____First Nation Tradition and Culture; c) homes within the child's community of origin; d) homes belonging to a Member of _____First Nation; e) homes of the same cultural and linguistic origin as the child; f) aboriginal homes in Manitoba; and g) homes willing and able to ensure the child will maintain contact with _____First Nation.
Family Support	a) counselling, guidance, support, educational assistance, and other services as may be required; b) emergency financial or material assistance as may be provided for by Agency policy; c) provision or purchase of services to address special needs, including assessment and treatment services to prevent family breakdown and restore family functioning; d) assistance to minor, expectant and single parents, including referrals for pre-natal and parenting skills programs; e) emergency and ongoing homemaker and parent aide services for high risk families; f) voluntary placement of children; and g) voluntary surrender of guardianship.
Services for Young Offenders	a) investigation or assessment of reports or referrals; b) voluntary family services or child protection planning where this is indicated by the investigation or assessment; c) written results of an investigation or assessment and submission of a plan of action to the referring agent; and d) child placement planning where this is indicated by the investigation or assessment.
Outreach/Liaison Services	a) reside or normally reside on reserve and who require Agency assistance or services to access health, educational or social services; or b) temporarily reside off reserve due to circumstances that prevent them from returning to their normal place of residence including: - abused spouses who move off reserve for their safety or the safety of children; or - a shortage of housing on reserve; c) are in the care of the Agency and need placement in a resource located outside the Agency's service area; d) have absconded from their home or placement or are transient and are in need of protective repatriation; e) have experienced post-adoption disruption and are in need of post-adoption repatriation services; or f) have been referred by another agency in Manitoba or another jurisdiction outside of Manitoba for possible placement and transfer of supervision or guardianship.

SUBSIDIARY AGREEMENT PROGRAMS AND SERVICES

The Programs Identified in the Subsidiary Agreements with the Province and a First Nation

Appendix I (cont'd.)

Programs	Services
Off-Reserve Services	a) apply for services and the Agency, with prior approval of the area agency (the agency with jurisdiction in the area where the applicant resides), agrees to the Agency providing these services; b) apply to voluntarily place or surrender a child through the Agency and the area agency agrees to the Agency providing these services; c) apply to be a foster parent and the area agency agrees to the Agency conducting a home study or placing children in the home subject to the area agency approving the home and to any terms and conditions agreed to between the two parties; or d) apply to adopt a child and the area agency agrees to the Agency: - conducting the home study and making recommendations to the area agency for approval and placement; or - supervising the adoption placement and providing progress reports to the area agency prior to the granting of an order of adoption; e) the child is or might be in need of protection and the Agency agrees to provide monitoring or intervention services at the request of the area agency; f) the Agency apprehends the child upon receiving prior approval from the area Agency to apprehend the child; g) an area agency apprehends the child and agrees to transfer the case to the Agency under section 28 or section 42 of the Act or in accordance with Native child placement protocols under section 421 of the Program Standards Manual; h) an area agency is providing services under an order of supervision under clause 38(1)(b) of the Act and the Director of Child and Family Services transfers the order of supervision to the Agency under subsection 49(2) of the Act; or i) an area agency has guardianship of a child under section 38 of the Act and the Minister of Family Services and Housing or the Minister's delegate transfers guardianship of the child to the Agency under subsection 49(1) of the Act.
Adoption	a) services to birth parents and child, including the child's preparation for placement, placement planning, selection and post-placement services; b) services to adoptive applicants and parents including home studies, approval of applicants, selection, placement planning, counselling, and post-placement services; c) investigation, preparation of home studies and supervision of placement in non-agency adoptions as required and the provision of counselling services as requested; d) registration of children and adoptive applicants; e) registration of children under the Indian Act; f) coordination of adoption services with other agencies; g) post-adoption services and counselling; h) financial assistance to adoptive parents; and i) notification to Chief and Council of the adoption of Members of _____First Nation.
Post-Adoption Repatriation	a) review and evaluation of all cases and other relevant data pertaining to children in care who were adopted; b) coordination with agencies and social service institutions for the repatriation of the child; c) post-adoption repatriation services; d) supervision and maintenance of children who have been repatriated and are in the care of the Agency; e) where a repatriated child is a permanent ward and reaches the age of majority, continuing supervision and maintenance for the former ward where deemed appropriate pursuant to the Act; f) assessment of the special needs of the child or young adult and mobilization of resources to meet those identified needs; and g) coordination of support services for the child or young adult and family.
Community Awareness and Program Development	a) assisting community groups, includi ng Chief and Council, in resolving social problems that affect families, and through joint planning in developing Programs and Services to address the identified needs; b) assisting local service providers and Elders in planning and implementing community awareness programs respecting topics such as self-awareness, communication skills, child and adolescent development, parenting skills, family violence, substance abuse, suicide prevention, etc.; c) assist in planning and developing self-help groups and volunteers.

Appendix J | LIST OF MANDATED AGENCY QA REVIEWS COMPLETED BY THE CFS DIVISION

Mandated Agency	Authority	Type of QA Review Performed by the CFS Division	Date	Years Since March 2004
Child and Family Services of Central Manitoba	General	Child Protection Review	Dec/97	6.3
		Child Protection Review - Follow-up	Jan/99	5.2
Child and Family Services of Western Manitoba	General	Child Protection Review	Oct/98	5.5
		Child in Care Review	Oct/98	5.5
Jewish Child and Family Services	General	Multi-Program Review	Dec/98	5.3
Churchill Child and Family Services	General	Multi-Program Review	Sep/97	6.6
First Nations				
Dakota Ojibway Child and Family Services	Southern	Multi-Program Review	Feb/99	5.2
West Region Child and Family Services	Southern	Review Child in Care Review	Apr/99	5.0
		Review of Foster Care Services	Apr/99	5.0
Southeast Child and Family Services	Southern	Review of Child and Family Services Program	May/93	10.9
Intertribal Child and Family Services	Southern			
Fisher River		Multi-Program Review	Aug/98	5.7
Dakota Tipi		Multi-Program Review	Feb/99	5.2
Anishinaabe Child and Family Services	Southern	Review of Organizational Structure	Aug/94	9.7
		Child Protection Review	Jun/01	2.8
		Foster Care Review	Aug/01	2.7
West Side		Child Protection Review	Mar/98	6.0
Fairford		Child Protection Review	Sep/01	2.6
Little Saskatchewan		Child in Care Review	Sep/01	2.6
Winnipeg Outreach		Child in Care Review	Sep/01	2.6
Lake Manitoba		Child in Care Review	Sep/01	2.6
Lake St. Martin		Child in Care Review	Sep/01	2.6
Awasis Agency of Northern Manitoba	Northern			
Island Lake Sub-office (now Island Lakes)		Multi-Program Review	Dec/96	7.3
Norway House (now Kinosao Sipi Minisowin)		Multi-Program Review	Jul/98	5.8
Cross Lake		Child Protection Review	Sep/01	2.6
Cross Lake		Child in Care Review	Sep/01	2.6
Cree Nation Child and Family Services	Northern	Multi-Program Review	Aug/95	8.7
Opaskwayak Cree		Child Protection Review	Oct/01	2.5
Opaskwayak Cree		Child in Care Review	Oct/01	2.5
Opaskwayak Cree		Foster Care Review	Oct/01	2.5
Peguis Child and Family Services	Southern	Multi Program Review	Jul/98	5.8
Sagkeeng Child and Family Services	Southern	Multi Program Review	Mar/99	5.1
Nisichawayasihk Cree Nation and Community Services	Northern	Multi Program Review	Apr/01	3.0
Regional Offices				
Eastman Regional Operations	General	Multi Program Review	Dec/98	5.3
Interlake Regional Operations	General	Child Protection Review	Apr/98	6.0
Northern Regional Operations	General	Multi Program Review	Feb/93	11.2
Parkland Regional Operations	General	Child Protection Review	Jul/98	5.8
Thompson Regional Operations	General	Multi Program Review	Dec/93	11.2
Winnipeg Child and Family Services	General			
Central Area		Review of First Nations Children in Care	Jan/94	10.3
Southwest Area		Review of Family Intervention Services	Mar/94	10.1
Northwest Area		Review of Intake System	Aug/95	8.7
Northwest Area		Child Protection Review	Oct/96	7.5
East Area		Child Protection Review	Nov/97	6.4
East Area		Child Protection Review - Follow-up	Jan/99	5.2
			Average	**5.5**

MANDATED AGENCIES' CHILD NEEDS ASSESSMENT TOOLS

Based on Funding Per Day of a Child 0 - 10 Years of Age (if maximum points were scored for the child)

Appendix K

Provided by CFS Division From Agency Guidelines November 23, 2004		Agency A		Agency B		Agency C		WCFS	
Indicator	**Points**	**Indicator**	**Points**	**Indicator**	**Points**	**Indicator**	**Points**	**Indicator**	**Points**
Food (Feeding)	5	Food	5	Food	5	Food	5	Food	5
Food (Emotional)	3								
Health (Medical)	6	Health	7	Health	5	Health	5	Health	7
Health (Mental)	8				5				
Belonging	5	Belonging/ Family	5	Belonging/ Family	5	Belonging/ Family	5	Family	5
		Clothing	2	Clothing	5	Clothing	5	Clothing	2
Health (Personal Care)	4	Personal Care	6	Personal Care	5	Personal Care	5	Personal Care	6
Nurturing	13	Nurturing Relationships	7	Nurturing Relationships	5	Nurturing Relationships	5	Nurturing Relationships	7
Socialization/Community Involvement	4	Socialization	5	Socialization	5	Socialization	5	Socialization	7
Supervisory		Supervision	7	Supervision	5			Supervision	7
Boundaries	10	Boundary	5	Boundary	5	Supervision/ Boundaries	5	Boundary	5
School/Day Program	5	School/Day Program	5	School/Day Program	5	School	5	School/Day Program	5

Based on Funding Per Day

Maximum Score for Basic Maintenance	10		10		10		9		10
Difference Funding for fee for service if maximum points are used		53		44		40		36		46
Rate per day	$1.00	53.00	$1.00	44.00	$1.00	40.00	$1.25	45.00	$1.00	46.00
If basic maintenance was:		16.96		16.96		16.96		16.96		16.96
Total		69.96		60.96		56.96		61.96		62.96

Source: CFS Division and Mandated Agencies and WCFS.

Appendix L | *THE CHILD AND FAMILY SERVICES ACT* - RESCINDED SECTIONS

Director's Duties that Ceased to Exist as Noted in the Regulations of *The CFSA Act*	
The Child and Family Services Act	
Section 4(1)(b.1)	Appeals from the agencies with respect to the licensing of foster homes.
Section 4(1)	Advising agencies other than for the operations of the child abuse registry.
Section 4(1)	Advising agencies other than for the operations of the child abuse registry.
Section 4(1)(e)	Ensuring the agencies are providing and following standards, practices and procedures.
Section 4(1)(f)	To hear complaints about agencies.
Section 4(1)(g)	Exercise the powers and duties of an agency in any area where no agency is functioning.
Section 4(1)(h)	Supervise or direct the supervision of children in care and receive and disburse moneys for their maintenance.
Section 4(1)(j)	To ensure the development of appropriate placement resources for children.
Section 4(2)(a)	To enter and inspect the premises of agencies and of foster homes licensed by those agencies.
Section 4(2)(b)	To inspect and obtain copies or samples of things that relate to an agency, a child, a foster home licensed by an agency it has mandated or to a matter being investigated by the authority, and that are in the possession or control of an agency or a foster home licensed by an agency it has mandated.
Section 4(2)(b.1)	To require a person to give information relating to any matter being investigated by the authority and to produce records, papers or things.
Section 4(2)(b.2)	To do anything in relation to determining appeals from agencies with respect to the licensing of foster homes.
Section 4(2)(g)	To issue a written directive to an agency.
Section 4(1)	To appoint an administrator for an agency.
Section 7(1)	To require agencies to carry out their duties in accordance with standards established by it and the director and subject to its authority.
Section 7(1)(n) and (p)	To require agencies to provide reports or require agencies to conform to a directive.
Section 8(2) and (3)	To hear and decide appeals with respect to the licensing of foster homes.
Section 15(4)	To require an agency to submit agreements under sections 12 and 14 for approval. The director is to continue to receive copies of any agreements.
Section 16(8)	To approve agreements.
Section 16(11) and (12)	To approve a withdrawal of a surrender of guardianship.
Section 19(2)	To approve joint child abuse committees for agencies.
Section 54	To review the plans for each child in the care of its agencies.

THE ADOPTION ACT - RESCINDED SECTIONS

Appendix M

Director's Duties that Ceased to Exist as Noted in the Regulations of *The CFSA Act*	
The Adoption Act	
Section 5(1)(3)	To ensure that child and family services agencies are following standards, practices and procedures for adoption services.
Section 5(1)(g)	To hear complaints about child and family services agencies.
Section 5(2)	The inspection powers to enter the premises of a child and family services agency to make inspections, to examine and require the production of the agency's records and to require persons to furnish information.
Section 5(3)(a)	In make enquiries and carry out investigations with respect to matters under the ACT in relation to child and family services agencies.
Section 5(3)(d)	To issue a directive to a child and family services agency.
Section 40	To review the suitability or capability of an applicant.
Section 47(2)	To review an agency's action in removing a child from a prospective adoptive parent's home.
Section 61	To review the child and family services agency's decision not to approve the placement of a child with a prospective adoptive parent.

Excerpt: The Auditor General Act

Audit of operations

14(1) In carrying out his or her responsibilities under this Act, the Auditor General may examine and audit the operations of a government organization with regard to any of the following matters:

(a) whether financial and administrative provisions of Acts, regulations, policies and directives have been complied with;

(b) whether public money has been expended with proper regard for economy and efficiency;

(c) whether the Assembly has been provided with appropriate accountability information;

(d) whether the form and content of financial information documents is adequate and suitable.

Audit of recipient of public money

15(1) The Auditor General may conduct an examination and audit in respect of public money received by a recipient of public money, including the matters listed in subsection 14(1), and may require the recipient to prepare and give to the Auditor General the financial statements setting out the details of the disposition of the public money received.

No obstruction

15(2) No person shall obstruct or provide false or misleading information to the Auditor General or a person employed under the Auditor General in conducting an examination or audit under this section, or conceal or destroy any records or things relevant to an examination or audit.

Copies of this report may be obtained by contacting:

Office of the Auditor General

500–330 PORTAGE AVENUE

WINNIPEG, MANITOBA CANADA R3C 0C4

PHONE: 204 945 3790 FAX: 204 945 2169

EMAIL: contact@oag.mb.ca

WEBSITE: www.oag.mb.ca

EXECUTIVE MANAGEMENT
Carol Bellringer
Bonnie Lysyk

AUDIT TEAM
Norman Ricard
Brian Ridler
Dallas Muir
Maria Capozzi
Fraser McLean

DESKTOP PUBLISHER
Sandra Humbert

COVER DESIGN
Cocoon Branding Inc.